What Does (Not) Make Soft Power Work: Domestic Institutions and Chinese Public Diplomacy in Central Europe

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Submitted to

Central European University

Department of International Relations

In partial fulfillment of the requirements for the degree of Master of Arts in International Relations

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Budapest, Hungary

2018

Word count: 17,242

Abstract

What does make soft power policies work in a certain context? In this thesis, I attempt to answer this question in the context of Chinese public diplomacy activities in the Central European region. In the past decade, China expressed increasing interest in this region, however, the same public diplomacy approach did not bring unitary response in different countries. The framework of the thesis relies on the conceptualizations of soft power, the literature on the determinants of success in soft power, and the domestic factors influencing a country's foreign policy. The methodological approach used in the analysis is in-case process tracing. The two case countries, Hungary and the Czech Republic are selected on the basis of their similarities which act as control variables. While the soft power policies have multiple effects on the subject countries which are hard to predict, I provide an account which explains the success or failure of soft power through the domestic structure of the subject country.

Acknowledgements

I want to express my gratitude to every person who helped the development of this thesis in any way. My gratitude first and foremost goes to my supervisor, Professor Erin Jenne, who guided my research and helped to transform vague ideas into a tangible thesis. I also thank all those professors and fellow students at CEU who contributed to my knowledge of International Relations throughout this year.

I also want to thank my Academic Writing instructor, Vera Eliasova, who did not only shape the coherence and language of my thesis but also gave firsthand insights into Czech politics.

Finally, my gratitude goes to my family for their understanding throughout the thesis writing process. I am immensely thankful to my husband, Zsiga, who continuously supported me.

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List of Abbreviations

- AIIB Asian Infrastructure Investment Bank
- ANO 2011 Akce nespokojených občanů Action of Dissatisfied Citizens
- BRI Belt and Road Initiative
- CASS Chinese Academy of Social Sciences
- CEE Central and Eastern Europe
- CEFC CEFC China Energy Company Limited
- China–CEEC/16-plus-1 Cooperation between China and Central and Eastern European Countries
- CPC Communist Party of China
- ČSSD Česká strana sociálně demokratická Czech Social Democratic Party
- Fidesz Fidesz Magyar Polgári Szövetség Fidesz Hungarian Civic Alliance
- FOCAC Forum on China and Africa Cooperation
- KDNP Kereszténydemokrata Néppárt Christian Democratic People's Party
- LMP Legyen Más a Politika Politics Can Be Different
- MSZP Magyar Szocialista Párt Hungarian Socialist Party
- ODS Občanská demokratická strana Civic Democratic Party
- SZDSZ Szabad Demokraták Szövetsége Alliance of Free Democrats

V4 - Visegrad Group

Introduction: Chinese Public Diplomacy in Central Europe

Today, China's significance in world politics is apparent in many parts of the world, including Europe. The Chinese emphasis on Central European influence-building started in 2008, when the country's interest turned to Europe in the wake of the global financial crisis.¹ One of the objectives of this interest was to tap into the European Union's economic potential, which included the previously underdeveloped relations with Central and Eastern Europe. According to the Chinese Ministry of Foreign Affairs, relations with Central and Eastern European countries took promising turns in 2013.² More frequent visits by high-ranking officials signaled this turning point, as well as more cultural and academic exchange. The number of scholarships granted by the Chinese state grew rapidly, new Confucius Institutes and other government-affiliated centers mushroomed.

Despite the good deeds of the Chinese partner and the region's thirst for economic opportunities, Chinese public diplomacy achieved limited success in several countries of the region. Poland and the Czech Republic³ frequently expressed criticism on human rights issues of China before 2009.⁴ In the Czech Republic, some of the ministers and high-ranking parliament members welcomed the Dalai Lama on October 17, 2016, making a symbolic gesture against the country's pro-China politics. At the same time, the highest-ranking Czech officials, including the president, reaffirmed Czechia's commitment to approve of Tibet as Chinese territory and reassured their strong bilateral ties.⁵ For Lithuania, the Dalai Lama's 2013

¹ Song, Weiqing, 2017, "Introduction: Contextualizing China–Central and Eastern European relations in the new era," 3.

² The Department of European Affairs: Countries in the Region. The Ministry of Foreign Affairs, People's Republic of China. http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/xos_664404/gjlb_664408/

³ The Czech Republic adopted the short name Czechia in 2016, the two denominations are used interchangeably. ⁴ Liu, Zuokui, 2013 "The Pragmatic Cooperation Between China and CEE: Characteristics, Problems and Policy Suggestions," Working Paper Series on European Studies, Institute of European Studies, Chinese Academy of Social Sciences, Vol. 7, No.6, 2013.

⁵ "Czech politicians meet Dalai Lama in contrast to pro-China policy," Reuters, October 18, 2016. <u>https://www.reuters.com/article/us-czech-china-dalailama-idUSKCN12I1H8</u>

meeting with President Grybauskaite hindered the development of China–Lithuania relations until 2015, when the parties reconciled.⁶

The Dalai Lama's visits signaled the partial failure of Chinese public diplomacy, as international legitimacy is one of the main objectives of Chinese soft power activities. From the Chinese perspective, the acceptance of the Tibetan spiritual leader undermines their territorial sovereignty and questions China's political credibility.

There was no similar occurrence in Slovakia, Hungary or Serbia. On the other hand, the Hungarian government continuously renewed its commitment to the Eastern Opening, even in the face of European dissatisfaction. One of the major events that marked this commitment was the proposed Budapest–Belgrade railway rehabilitation project.⁷ Based on the since-classified documentations, the reconstruction is rather a prestige project than a beneficial investment.

This divergence in the foreign policies of Central and Eastern European countries highlights the difference in the determination of national interests and also how they should be pursued. The Chinese public diplomacy and influence-building activities in this region of small states are part of a "regional grouping"⁸ strategy, which assumes the unitary nature of the CEE macro-region. The similar Chinese public diplomacy policies met different foreign policy outcomes in different Central European countries, which provides the central puzzle for the present research.

The empirical focus of the thesis is the China-oriented foreign policies of Central European countries. China aims to extend its influence in Central Europe which is expressed in intensifying public diplomacy. China's most important objective in the region is to create a

⁸ Song, 2017b, 4.

⁶ "China, Lithuania agree to advance relations," The State Council of the People's Republic of China, February 10, 2015. http://english.gov.cn/state_council/ministries/2015/02/10/content_281475053560634.htm
⁷ "Chinese Funds Are Best Option for Budapest-Belgrade Railway Line." Ministry of Foreign Affairs and Trade, Website of the Hungarian Government, January 11, 2018. <u>http://www.kormany.hu/en/ministry-of-foreign-affairs-and-trade/news/chinese-funds-are-best-option-for-budapest-belgrade-railway-line</u>

cooperation platform which focuses on building many economic, cultural and academic ties.⁹ I assume that the different responses to Chinese public diplomacy stem from the diverging political circumstances and decision-making structures of the Central European countries. Therefore, the analytical framework centers on domestic factors which can alter the ability of Chinese soft power activities to influence the subject countries. The determining factors in the subject countries of soft power activities address the connection between public diplomacy and policy outcomes. The policy development towards China in the case countries is analyzed before and after the 2013 turn in Chinese public diplomacy in the region.

Placing Chinese relations with Central European countries in the context of the European Union highlights the relevance of Chinese soft power activities in Central Europe. The tension between Central European countries and other EU members on China-related issues has become more palpable in the recent years. On the one hand, the annual China–CEEC (or Sixteen-plus-one) summits stirred up the debate on the elevated role of China in the region deepening the already existing cleavages, and even hurting European economic policies, which led to the Chinese pledge to reduce the frequency of the annual summits following European politicians' call for a "one Europe policy".¹⁰ More recently, Hungary vetoed a common foreign policy decision to dismiss agreements with China which texts include references to "community of common destiny" or "community of shared future for mankind."¹¹ The inclusion of these expressions raises the problem of European countries joining a new China-led international order which is deemed highly problematic by most of the EU members. Member countries

⁹ "China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries," Cooperation between China and Central and Eastern European Countries, January 26, 2015. http://www.china-ceec.org/eng/zdogjhz_1/t1410595.htm

¹⁰ Barkin, Emmott, Tsolova, 2018. "Exclusive: China may pare back 'divisive' Eastern European summits," *Reuters*, March 12, 2018. https://www.reuters.com/article/us-china-easteurope-exclusive/exclusive-china-may-pare-back-divisive-eastern-europe-summits-idUSKCN1GO1PI

¹¹ Magyari, Péter, 2018, "Európa büszkeségéről szólt az a szöveg, amit a magyar kormány megvétózott," 444.hu, April 19, 2018. https://444.hu/2018/04/19/europa-buszkesegerol-szolt-az-a-szoveg-amit-a-magyar-kormany-megvetozott

strongly influenced by the normative aspects or economic advantages of an alternative Chinese world order could pose a threat to the universal values and norms, thus, to the liberal order.¹²

The thesis aims to connect the domestic determinants of foreign policy with soft power activities. According to Joseph Nye, the success of soft power policies highly depends on the presence of able "receivers and interpreters."¹³ I assume that the principal receivers are in the political elites and media of the respective countries, who also determine the salience of issues in their country. While public diplomacy is meant to attract public attention, only certain parts of the public are prone to pay attention to foreign policy issues. These "attentive" and "issue publics"¹⁴ can have notable influence on salient issues, provided the political system channels their claims. Therefore, the influence of Chinese public diplomacy¹⁵ on foreign policy decision-making¹⁶ depends on the structure of domestic institutions.

Based on the research puzzle and the central questions on the link between public diplomacy and foreign policy, my hypothesis is that the Chinese soft power activities implied strong positive or negative foreign policy decisions in strong states with a centralized foreign policy decision unit; while those weak states, where the domestic structure constraints the decision-maker and power over the decision-making structure is more dispersed do not have a strong influence of Chinese public diplomacy on their foreign policy outcomes.

¹² There are debates on the compatibility of the Chinese world order with the current one, but from the Western perspective, it is a new incarnation of the China threat. Wang, Yong, 2018, "China's vision for a new world order," *East Asia Forum*, January 25, 2018. http://www.eastasiaforum.org/2018/01/25/chinas-vision-for-a-new-world-order/

¹³ Nye, Joseph, 2004,

¹⁴ Risse-Kappen, Thomas, 1991, "Public Opinion, Domestic Structure, and Foreign Policy in Liberal Democracies," World Politics, Vol. 43, July 1991, 479–512.

¹⁵ In the present thesis, the Chinese public diplomacy means the ways in which China tries to alter its international image, including partnerships and China-initiated multilateral institutions. Economic activities can also lead to such outcome on the sidelines, however, the investments are considered only as public diplomacy if they bear political significance.

¹⁶ Foreign policy decision-making consists of both the decision unit conducting policymaking, the policy outcomes, and its manifestation in the country's or international political discourse. The types of decision units are defined in the Methodology section of Chapter 1.

Since the 16+1 partnership encompasses several regions with differing countries, the scope of the analysis is narrowed down to the level of V4 countries. Their similarities stem from the common past, geographical proximity, and the willingness to develop fruitful ties with the economic superpower. The framework of the V4 countries is also too broad for a detailed study of the topic. The case studies are chosen from the Czech Republic and Hungary, as the two countries which provide the best comparison among V4 countries. The two Central European countries have similar historical backgrounds from the era of the Austro-Hungarian Monarchy, the Soviet occupation, and have faced similar struggles during the post-communist decades.

The first chapter of the thesis offers a short background on China's attempt to build a new image of the country in the 21st century, then goes on to situate the research in the literature on soft power and Chinese public diplomacy and presents the framework of domestic structures in foreign policy making and a strategic concept of soft power. The second chapter introduces the context of the China–Central Europe relations of the past decade, with special emphasis on the China–CEEC partnership. The third and the fourth chapters are designed in similar ways, as they trace the process of Hungarian and Czech policies, respectively, in light of the Chinese public diplomacy attempts to build attraction towards and cooperation with China, testing the hypothesis. In the fifth chapter, the crucial findings of the two case studies are compared, with the inclusion of alternative explanations to provide an outlook on further endeavors in soft power research.

Chapter 1 – Soft Power, Foreign Policy, and Domestic Institutions: Literature Review and Framework

The notions of power and how one state wields power over another state are central to the International Relations literature. The thesis takes Joseph Nye's concept of power defined as "the ability to influence others to get the outcomes one wants."¹⁷ This simplified conceptualization becomes complicated once one enters the debate of soft power. There is no consensus on what soft power means and there is even less agreement on how to wield it. In recent years, soft power debates in IR gravitated towards the role of China, principally because the country is the only potential adversary to threaten the superiority of American soft power.

The following literature review aims to determine the use of soft power in this thesis as an analytical concept. I also look at the goals of Chinese soft power activities in Europe and Central Europe. The framework of the research extends beyond the literature of soft power and incorporates the literature on the domestic factors of foreign policy-making. Based on the literature review, I analyze the determinants of successful soft power and create a link between public diplomacy activities and foreign policy outcomes through the independent variable of domestic structures.

1.1 Conceptualizing soft power

In the first part of the literature review, I provide a brief introduction of the concept. The term was coined by Joseph S. Nye, who has been developing the concept since the 1990s,¹⁸ principally to characterize the state of American power in contemporary world politics. He was concerned with the disproportionate focus of U.S. policymakers on hard power and emphasized

¹⁷ Nye, Joseph S, 2004. Soft Power: The Means to Success in World Politics. New York: Public Affairs, 2.

¹⁸ Nye, Joseph S. Jr., 1991 "Soft Power," *Foreign Policy*, Twentieth Anniversary, No. 80, (Autumn, 1990), 153-171.

the potential to wield power from intangible resources over the coercive means wielded from tangible assets.¹⁹ By his definition, the resources include culture, values, and foreign policies.²⁰

Critics of soft power claimed that it was not a rigorous analytical concept in its initial form, pointing out several inconsistencies in Nye's definition. Regarding the relational and structural aspects of soft power, Edward Lock noted that Nye does not distinguish between changing the values of others and changing policies of others where shared values already exist, thereby excludes the subject's role in the power relationship.²¹ Raising further questions on the substance of soft power, Christopher Layne regarded the concept as a vague umbrella term subsuming many elements such as "multilateral democracy," "development assistance," "provision of international public goods."²²

The resource-based conceptualization raised questions about the effectiveness of soft power policies. Baumann and Cramer claimed that the identified resources are overly specific. At the same time, an actor's power over others' preferences does not have anything to do with social power, but with self-interest and the attraction of power and success itself.²³ These criticisms contributed to reflections on the concept by Nye and others, which overcame the resource-focused conceptualization and focused on the relational aspects of soft power and its dependency on the given context.²⁴ However, they did not establish a single meaning for soft power. In the thesis, I look at both the resource-based, relational and structural aspects of soft power, however, the role of the subject and the social structures are central to the empirical analysis. In the following, I examine the characteristics of Chinese soft power in the 21st century.

¹⁹ Nye, 2004, and Nye, Joseph, 2008, "Public Diplomacy and Soft Power,"

²⁰ Nye, 2008, 94.

²¹ Lock, Edward, 2010, "Soft power and strategy: developing a 'strategic' concept of power," 32-50. 35.

²² Layne, Christopher, 2010, "The unbearable lightness of soft power," 51–82.

²³ Baumann and Cramer, 2017, 197.

²⁴ Nye, Joseph, 2011, "Power and Foreign Policy," 9.

<u>1.2 Chinese soft power</u>

Following the constant growth in China's comprehensive national power,²⁵ the country recognized the need to enhance its international reputation. In January 2014, President Xi Jinping announced that his government will focus on public diplomacy and soft power activities to promote China's positive image in the world.²⁶ In 2017, the Chinese leadership started to officially promote the image of a "responsible great power",²⁷ which is the culmination of China's positive role in the globalized world. While the "Go Global" strategy of the 2000s took the pursuit of Chinese economic interests to a global level, this step signals China's attempt to take a central position in global governance as well.

The conceptualization of Chinese soft power gained prominence with the rapid economic development and increasing power of the country. Joseph Nye claimed that Chinese interpretations of the term do not align with his conceptualization, thus, he coined a new term, "sharp power", combining resources of soft power with coercive means as a more suitable alternative for Chinese and other authoritarian involvement in world politics.²⁸ In general, China regards soft power as another field of great power competition.²⁹

The debate on Chinese soft power policies is not only in the interest of researchers.³⁰ Shogo Suzuki outlined three main points which represent the Chinese leadership's interest in soft power. Firstly, the "indicator of a state's international status and influence" to reach great power status. Secondly, the existing belief that a new type of competition is underway between

https://www.foreignaffairs.com/articles/china/2018-01-24/how-sharp-power-threatens-soft-power.

²⁵ Hu, Angang, and Honghua Men: "The Rising of Modern China: Comprehensive National Power and Grand Strategy." *Strategy & Management*, No. 3, 2002.

²⁶ Zhang, Lihua, 2014, "Beijing Focuses on Soft Power." https://carnegietsinghua.org/2014/04/28/beijing-focuses-on-soft-power-pub-55458#focus

 ²⁷ Buckley, Chris and Keith Bradsher, "Xi Jinping's Marathon Speech: Five Takeaways," *The New York Times*, October 18, 2017, https://www.nytimes.com/2017/10/18/world/asia/china-xi-jinping-party-congress.html.
 ²⁸ Joseph S. Nye, "How Sharp Power Threatens Soft Power," *Foreign Affairs*, January 24, 2018,

²⁹ Heng, Yee-Kuang, 2010, "Mirror, mirror on the wall, who is the softest of them all? Evaluating Japanese and Chinese strategies in the 'soft' power competition era," *International Relations of the Asia-Pacific*, Vol. 10, No. 2, May 2010, 275–304. 277.

³⁰ Suzuki, Shogo, 2010, "The myth and reality of China's 'soft power'," 199–214. 200.

great powers, and lastly, the means to downplay the perceptions of a "China threat."³¹ Suzuki also identified one of the main resources of Chinese soft power, the 'good neighbor' foreign policy.³²

In terms of resources, more assertive trends can be seen from the beginning of Xi Jinping's presidency in 2013. China does not only adhere to the rules of multilateral institutions, but also establishes them, such as the Asian Infrastructure Investment Bank and Xi Jinping's trademark Belt and Road Initiative, conjoining Eurasia under the umbrella of Chinese-led development.³³ Thus, the sources of Chinese soft power are changing in the context of increasing great power competition, in which Chinese values and ideas on global governance become potential soft power resources.

Chinese soft power resources may be used selectively depending on the subject's context. The role of suitable cultural elements or values emerges in the literature on Europe. Audrey Dugué-Nevers points out that the aim of soft power is to alter China's international image.³⁴ The image that China wants to broadcast in Europe determines the soft power resources the country will rely on. Ingrid D'Hooge finds that domestic and international soft power are equally important for the Chinese leadership. They are sensitive to unfavorable Western media coverage and consider media as a central resource of influence.³⁵ D'Hooge identifies the objectives as the legitimacy of the CPC's rule and maintaining the peaceful international environment for China's further development.³⁶ The European counterparts look

³¹ Suzuki, 2010, 200–201.

³² Suzuki, 2010. 203.

³³ The Belt and Road Initiative, The State Council of the People's Republic of China.

http://english.gov.cn/beltAndRoad/

³⁴ Dugué-Nevers, Audrey, 2017, "China and Soft Power: Building Relations and Cooperation," Contemporary Chinese Political Economy and Strategic Relations: An International Journal, Vol. 3, No. 1, April/May 2017: 71–101.

³⁵ D'Hooge, Ingrid, 2010, "The Limits of China's Soft Power in Europe: Beijing's Public Diplomacy Puzzle," Netherlands Institute of International Relations 'Clingendael', Clingendael Diplomacy Papers No. 25, January 2010, 4.

³⁶ D'Hooge, 2010, 7.

at China as an important partner, but they attempt to socialize China based on their values. D'Hooge's analysis uses polls conducted in Germany, France, and the United Kingdom, and show a deteriorating trend, even after the landmark event of the Beijing Olympics. The major obstacle in the face of Chinese soft power in Western Europe – aside from shallow knowledge and negative perceptions – is the lack of credibility,³⁷ which shows the inability of utilizing values, foreign policy, positive cultural traits and a benevolent multilateral image as soft power resources.

The context of greater European countries differs from that of smaller Central European states. Song Lilei summarizes the view of Chinese scholars who see the CEE region as a stepping stone for projecting China's positive self-image to the Western world.³⁸ Song identifies three major goals of Chinese public diplomacy in the region. In the short term, to counter "China-bashing" among the Central European public, in the medium-term, to use the region as a bridge to improve the EU–China strategic partnership, and in the long-term, to "constructively build a good image" of China in the region.³⁹ Song also outlines the tools: public diplomacy on the political level, participation in the local media, diplomatic activities funded by the Chinese central government and channeled by the Chinese elites.⁴⁰ The set of tools shows similarities with the ones described by Anne-Marie Brady as "magic weapons." The political influence activities supported by the government but executed by the members of the Chinese civil society are central to both analyses.⁴¹ There are barriers to this project in Central Europe, such as the controversies of the communist past and the scarce information about the

³⁷ D'Hooge, 2010, 30.

³⁸ Song, Lilei, 2017, "From mutual understanding to a new paradigm of cooperation," In: Song, Weiqing (ed.), 2017, *China's Relations with Central and Eastern Europe: From "Old Comrades" to New Partners*, [Routledge Contemporary China Series], London and New York: Routledge, 66–82.

³⁹ Song, 2017a, 66.

⁴⁰ Song, 2017a, 67–69.

⁴¹ Brady, Anne-Marie, 2017, "Magic Weapons: China's Political Influence Activities Under Xi Jinping," Wilson Center, September 18, 2017. https://www.wilsoncenter.org/sites/default/files/magicweaponsanne-mariebradyseptember162017.pdf

preferences of local civil societies.⁴² However, the construction of a well-recognizable national image can enhance China's standing in the CEE countries.

1.3 Successful soft power and foreign policy

Following the substance of Chinese soft power, I look at the existing explanations for the varying success of soft power policies. They are derived from the four stages of operationalizing soft power strategies: resources, transmission, reception, outcomes.⁴³ These explanations can contradict one another; thus, the research design must account for the competing explanations in the test of the hypothesis.

The first explanation focuses on the context of the subject of soft power. According to Nye, the context of shared political values magnifies the effect of soft power resources, while fundamentally different contexts hinder the influence of soft power: "the resource that produce power in one relationship or context may not produce it in another."⁴⁴ This notion points to the relational aspects of soft power policies. According to Nicholas Cull, the prerequisite of efficient public diplomacy is "listening" which means understanding the context. However, Cull also notes that public diplomacy does not work without credibility.⁴⁵ In a very different context, the actor must find the fields of policy where it can appear to be credible.

The reception also influences the success of soft power policies. Zahran and Ramos focus on the subject's role as the actor who can legitimize the resource state of the soft power.⁴⁶ Similarly, Li Mingjian claims that China should focus on promoting Chinese actions which are "legitimate, justified, and beneficial" in the eyes of the subject states.⁴⁷ Lock's strategic concept

⁴² Song, 2017a, 77.

⁴³ Heng, 2010, 278.

⁴⁴ Nye, Joseph S, 2011, "Power and Foreign Policy," Journal of Political Power, Vol. 4, No. 1, 9-24. 9.

⁴⁵ Cull, Nicholas J, 2009, *Public Diplomacy: Lessons from the Past*, CPD Perspectives on Public Diplomacy, Los Angeles: Figueroa Press.

⁴⁶ Zahran and Ramos, 2010, 19.

⁴⁷ Li, 2009, 8.

of soft power underlines the importance of acknowledging interdependences between the actor and the subject: even though their relationship is unequal, the subject is also capable of acting.⁴⁸ Thus, recognizing the factors which determine the subject's perceptions must be a key driver of soft power policies.

The role of the subject is also acknowledged by Nye's analysis of different faces of relational power. However, he goes beyond the agent's capability to change others' perception and behavior, and focuses on the structural aspects of power, which are hidden and invisible, and constrain individual actions.⁴⁹ Gallarotti considers soft power as "meta-power," where the possible outcomes of the interactions in the power relation depend on the "greater constellations of social relations."⁵⁰ These structures exist both on the international and domestic levels.

The states are not in full command over the transmission of soft power, which was noticed by Nye, Zahran and Ramos.⁵¹ Non-state sources of soft power also have to be taken into account, such as international and domestic media, NGOs, multinational corporations, think tanks. The media can alter preferences and represent the opinion of interest groups. The social media's growing role in communication changes the prospects of public diplomacy, as it creates opinion bubbles,⁵² thus, public opinion may be fragmented along the preferred sources of information.

Opening the black box of domestic politics, many competing interest groups and opinion leaders become apparent. As Nye notes, "soft power is likely to be more important when power is dispersed in another country rather than concentrated."⁵³ However, the interest of the elites

⁴⁸ Lock, 2010, 46.

⁴⁹ Nye, 2011, 15.

⁵⁰ Gallarotti, Giulio M, 2011, "Soft power: what it is, why it's important, and the conditions for its effective use," *Journal of Political Power*, Vol. 4, No. 1, 25-47, 28.

⁵¹ Nye, 2007. Zahran and Ramos, 2007.

⁵² The Soft Power 30 Report 2017, 92. https://softpower30.com/wp-content/uploads/2017/07/The-Soft-Power-

³⁰⁻Report-2017-Web-1.pdf

⁵³ Nye, 2004, 17.

in gaining political or economic power can alter the policy direction. The attraction of the country's hard power can undermine the public diplomacy argument. Nye acknowledges that hard power resources, such as a strong national economy, can wield soft power.⁵⁴ Gallarotti considers the strict separation of different power resources as "arbitrary" since both are instruments which can be used with good intentions or hostility.⁵⁵ In China's case, the hard power resources of the economy attract other states. To control for the influence of the elite's interests on policies, I put great emphasis on the domestic structure and see whether it constraints or allows interest group competition.

Based on the literature review, the success of soft power activities can depend on the social context, the perceptions of the subject state, non-state actors, and elite interests. While the country can have leverage on each to some extent, the political and cultural context of the other countries and elite preferences can only be effectively controlled by hard means.⁵⁶

The role of domestic institutions and the structure of society are determining factors in the foreign policy of a state, and the channeling of public diplomacy highly depends on these institutions and structures. Jiří Pehe emphasized that domestic institutions and mechanisms influence a country's foreign policy more than its political life does.⁵⁷ Thus, the changes in the domestic structure can account for greater variances in the effectiveness of soft power.

The empirical analysis will be based on these frameworks connecting domestic structures with foreign policies. Risse-Kappen proposes a framework for identifying these domestic factors in liberal democracies, which faced the same Soviet policies during the Cold War.⁵⁸ In the case of China–Central Eastern Europe relations, this approach can be useful

⁵⁴ Ibid.

⁵⁵ Gallarotti, 2011, 35.

⁵⁶ The economy can also be the source of coercion.

⁵⁷ Pehe, Jiří, 1998, "Connections between Domestic and Foreign Policy," *Perspectives*, No. 10, Summer 1998, 61–64. 61.

⁵⁸ Risse-Kappen, 1991, 490.

because, as the puzzle summarizes, China has a macro-level objective in CEE.⁵⁹ Following Gourevitch and Katzenstein in combining the institutionalist and coalition-building approaches to the analysis of policy-making, Risse-Kappen formulates a comprehensive view on the domestic structure of a country.⁶⁰ In the analysis, I take this framework as one of the measurements of the independent variable: including the nature of political institutions and the degree of centralization; the degree of polarization, social organization in the society's structure; and the coalition-building processes between state and society.⁶¹ The framework of decision units supplements the measurement of domestic structures. Margaret Hermann's account explains foreign policy decision-making based on the unit of the decisionmaker, identifying three main actors: the predominant leader, the single group, or the coalition.⁶²

Based on this framework and the antecedent condition of Chinese public diplomacy in the context of Central European small states, I hypothesize that Chinese soft power activities implied foreign policy decisions with strong positive or negative directions in strong states with a small foreign policy decision unit. To reverse the hypothesis, the weak states which base their foreign policy decisions more on coalition-building produce more neutral foreign policy decisions.

1.4 Research design

Based on the hypothesis, the independent variable of the study is domestic structure, which means the domestic structures and institutions which influence the country's foreign policy decision-making. It is measured by the dispersion of power (coalition government or majority), degree of centralization in decision-making, and constraints on the executives embodied in the constitution. This measurement is derived from Risse-Kappen's combined

⁵⁹ Higher levels are indicated by strategic or comprehensive partnership.

⁶⁰ Risse-Kappen, 1991, 486.

⁶¹ Ibid.

⁶² Hermann, Margaret G, 2001, "How Decision Units Shape Foreign Policy: A Theoretical Framework," *International Studies Review*, Vol. 3, No. 2, 47–81.

approach of domestic political institutions and societal structures and identifies a predominantly weak or strong state. The measurement also uses Margaret Hermann's account on policy decision units. Hermann defines three types of decision units, the predominant leader, the single group and the coalition of autonomous actors.⁶³ In the analysis, they are representations of the limits of structure on decision-making.

The dependent variable of policy outcomes can be measured by the foreign policies of the country and policies in international settings. The former includes economic policies favoring Chinese investments, special advantages for Chinese nationals, supporting Chinarelated activities and institutions on the territory of the state. The latter includes EU voting and policy debates, as well as vocal support of the country in international settings. In the case of these policies, the expressions of agreement with Chinese policy preferences in executive speeches are important.

The antecedent variable, Chinese soft power policies directed toward the region, is measured by the growth of public diplomacy activity of various types, on the levels described by Song Lilei: political level public diplomacy, media diplomacy, activities conducted by civil society.⁶⁴ Anne-Marie Brady's description of the foreign policy framework "magic weapons" also contributes to the measurement of the antecedent variable, Chinese soft power policies directed towards the Central European region. Brady identifies certain tools which are aimed at enhancing China's positive image abroad, uncovering some of their coercive and co-optative expressions.⁶⁵ Tracing change in the density of these organizations provide another measurement for Chines public diplomacy in the region.

⁶³ Hermann, 2001, 56–57.

⁶⁴ Song, 2017a, 67–69.

⁶⁵ Brady, 2017.

The case study approach is suitable for analyzing the cases of two countries, both through within-case analysis and comparative case study. The within-case analysis is conducted through process tracing, as this is the "most appropriate method" for uncovering the operation of causal mechanisms in politics.⁶⁶ The "analysis of evidence on processes, sequences, and conjunctures of events within a case"⁶⁷ provides a detailed account for the expected causal relationship between the domestic structure of the case country and their foreign policy outcomes in the presence of Chinese public diplomacy.

The case selection is based on the narrowed-down context of V4 countries. These countries show many similarities, but the case study is further constrained to the two most similar cases, the Czech Republic and Hungary. Their size, position, membership in multilateral institutions, common past control for many variables and provide a good basis for both in-case analyses and comparison.

The analysis follows the criteria for quality process tracing by Bennett and Checkel.⁶⁸ Therefore, I account for alternative explanations by considering structural (material, institutional, normative) and agent-based (material interests, cognitive biases, emotional drives, normative concerns) explanations and also the possible bias of sources.⁶⁹ In the last chapter of the thesis, I contrast the results of the within-case analysis in the Czech Republic and Hungary, trying to detect the cause of differences between their policy outcomes.

Data on public opinion will be used to identify the general perceptions about China in the case countries. Public opinion can also affect foreign policy outcomes in many, mostly

⁶⁶ Tansey, Oisín, 2007, "Process Tracing and Elite Interviewing: A Case for Non-probability Sampling," *PS: Political Science and Politics*, Vol. 40, No. 4, 4.

⁶⁷ Bennett, Andrew and Jeffrey T. Checkel, 2015, *Process Tracing: From Metaphor to Analytic Tool*, Cambridge University Press.

⁶⁸ Bennett and Checkel, 2015, 23–30.

⁶⁹ Bennett and Checkel, 2015, 23.

indirect ways,⁷⁰ as it is rational, relatively stable, and responsive to major events.⁷¹ According to Nye, polls are "essential but imperfect" measures of the resources associated with soft power,⁷² but Eichenberg points out that questions worded in different ways and traced over time can provide consistent results.⁷³ Although public opinion is independent from political institutions, it is dependent on ideology and partisanship.⁷⁴ Thus, I rely on public opinion data to track changes in the general perceptions of the public and decide whether those changes were induced by Chinese public diplomacy or other events.

The time frame of the research is divided into two phases: the first phase from 2008 to 2013 marks the beginning of China's turn to Europe, but with less public diplomacy activities. The second phase starts from 2013, when the institutions of the 16-plus-1 partnership started to materialize, and Chinese public diplomacy took an active turn in the region.

Complying with the requirements of process tracing, the data sources are very wideranging. Official document releases, legal texts, press statements, interview manuscripts with government executives and experts from the period included in the time frame are used as the primary sources. ChinfluenCE, a project of Czech, Hungarian, and Slovak analysts provide data through media analysis on this issue.⁷⁵ Due to the novelty of the topic, some of the agreements are still classified, which limits the findings of the research.

1.5 Conclusion

Based on the findings outlined in this chapter, the thesis can contribute to the literature on the effectiveness of Chinese soft power. There are few works on the comparative analysis

⁷⁰ Risse-Kappen, Thomas, 1991, 479–512.

⁷¹ Eichenberg, Richard C, 2016, "Public Opinion on Foreign Policy Issues," *Oxford Research Encyclopedia of Politics*, April 2016. 1–22. DOI: 10.1093/acrefore/9780190228637.013.78

⁷² Nye, 2004, 19.

⁷³ Eichenberg, 2016, 5.

⁷⁴ Eichenberg, 2016, 6.

⁷⁵ Hungarian Media Analysis. ChinfluenCE. http://www.chinfluence.eu/hungarian-media-analysis/

of Chinese public diplomacy in Central Europe since the research usually centers on the economic consequences of China's presence.

In the next three chapters, I provide background on China's public diplomacy and the case countries, furthermore, undertake the empirical study of the Czech and Hungarian cases. In the following chapter, the analysis of China's Central European public diplomacy outlines the antecedent variable of the study. The universal characteristics of China's multilateral diplomacy initiatives provide part of the background, as well as the shifts in Chinese domestic politics. The chapter uses the measurements of public diplomacy to illustrate the changes in the strategy and preferences of Chinese soft power.

In Chapters 3 and 4, I analyze the domestic structures of Czechia and Hungary, respectively. After identifying the values of the interdependent variable, I trace the process of China-policies in the two periods before and after 2013. The comparative analysis is based on the findings of the analytical chapters. I also triangulate the findings with the public opinion polls, which primarily look at the salience of Chinese politics in the two countries. Due to space limitations, I include the comparison in Chapter 5, before the conclusion.

Chapter 2 – China's Presence in Central Europe

The major objective of the chapter is to analyse the background of Chinese activities in Central Europe since 2008, including the process leading up to the establishment of the 16-plus-1 Cooperation in 2012. The framework of China's summit diplomacy is also introduced through the China–CEEC cooperation as it exemplifies China's relationship with small states in economic and "people-to-people relations"⁷⁶ as well. The influence building through multilateral institutions contain recurrent elements of Chinese public diplomacy, but some of them are unique to the Central European context. I look at China's motivations and actions in the Central European macro-region and situate the institutionalized partnership in Chinese public diplomacy. This macro-region provides the greater framework in which the individual country cases can be understood.

This contextualization also prepares the setting for the empirical analysis with measuring the values the antecedent variable, Chinese soft power activities, took in the region. The measurements include the elements derived from the framework of analysis: the frequency of executive meetings, the density of Chinese-funded institutions, local media influence, and the picture represented by the receivers and interpreters. While also looking at the country level, I present the Czech and Hungarian situation in detail in Chapter 3 and 4.

The chapter follows the policy shifts of Chinese public diplomacy in the periods of 2008–2013, and 2013–2018. The succession of the next generation of Chinese leadership plays a major role in this shift. There are differences between the foreign policies of Presidents Hu Jintao and Xi Jinping; I also present the change and continuity in the subchapters.

⁷⁶ The official language of the Belt and Road Initiative, aside from infrastructural and economic objectives, determines "people-to-people relations" as one of its major issue areas. In general, this can be understood as the public diplomacy area of the BRI. Liu, Zuokui, 2017, "The "16+1 Cooperation" under the "Belt and Road" initiative, "Song Weiqing (ed.) *China's Relations with Central and Eastern Europe*, London and New York: Routledge, 29–47.

2.1 China's increasing interest in Europe

China has special interests in the European Union, both as an important trading partner and a strategic partner in political terms. China has enhanced its presence in Central Europe considerably in the past decade, which is a new terrain for establishing strategic partnerships. Central Europe's case is special because the establishment of strategic partnership in the framework of a China-led multilateral institution is the first one to take place in the Western world. The Cooperation between China and Central and Eastern European Countries or 16plus-1 Cooperation, was initiated by China to serve as a platform of dialogue with 16 Central and Eastern European countries.

There are some general elements of Chinese multilateral diplomacy. The most apparent examples are the similarities between the Forum on China-Africa Cooperation (FOCAC) and the 16-plus-1 Cooperation. Both are formed following the principles of sovereignty and mutual benefit, aimed at improving communication and national policy harmonization between the states. The institutional framework predated the launching of actual activities, thereby the initial symbolic cooperation opens the way for policy coordination.⁷⁷ Just like in the case of the 16-plus-1 Cooperation, the egalitarian principles embedded in the framework of FOCAC are trumped by the reality of Chinese preponderance.⁷⁸ The distinctive parts of the 16-plus-1 partnership will be analysed as part of Chinese public diplomacy in the region. The overarching public diplomacy attempts are represented in the framework of the 16-plus-1 Cooperation, while the domestic specificities of V4 countries add further details on Chinese public diplomacy.

⁷⁷ Eszterhai, Viktor, 2017, "A transzregionális együttműködés új modellje a változó nemzetközi rendben," ("The new model of transregional cooperation in the changing international order") PAGEO Geopolitikai Kutatóintézet (PAGEO Geopolitical Research Institute), September 28, 2017. http://www.geopolitika.hu/hu/2017/09/28/a-transzregionalis-egyuttmukodes-uj-modellje-a-valtozo-nemzetkozi-rendben/

⁷⁸ This is also true for other China-led multilateral institutions, such as the AIIB. "Beijing Declaration of the Forum on China-Africa Cooperation" FOCAC Archives, September 25, 2009. http://www.focac.org/eng/ltda/dyjbzjhy/DOC12009/t606796.htm

2.2 Chinese public diplomacy in Central Europe before 2013

The period between 2008 and 2013 was characterized by increasing interest in the European Union, but low intensity in public diplomacy activities. The first mention of soft power objectives by high-level authorities took place only in 2007, when the White Paper on Chinese Foreign Affairs⁷⁹ and the 17th CPC Congress Report given by Hu Jintao emphasized the relevance of soft power enhancement for China: "We must enhance culture as part of the soft power of our country."⁸⁰

The need for more efficient soft power policies is also found in the general misconceptions about the country's international image in China. These misconceptions include neglecting the construction of a well-defined image, because they presume that the higher international position automatically brings respect to the country.⁸¹ Wang Yiwei also emphasizes that China ignores cultural exchanges involving civil society and keeps a low profile in world politics.⁸² President Hu Jintao's remarks on the 60th anniversary of the United Nations exemplify this view. The references to "collective measures", "harmonious co-existence", "mutual respect and treating each other as equals" all represent the low-profile international image China has adopted after the reform and opening.⁸³

In Europe's context, shifts in the nature of the comprehensive strategic partnership can account for the need for intensive public diplomacy. Previously, the EU expressed the need for partnership with China, however, the white papers released by the European Commission in

⁷⁹ "China's Soft Power Campaign: Mapping China's Cultural Genome," Wilson Center, https://www.wilsoncenter.org/chinas-soft-power-campign

⁸⁰ Wang, Yiwei, 2008, "Public Diplomacy and the Rise of Chinese Soft Power," The Annals of The American Academy of Political and Social Science, Vol. 616, Public Diplomacy in a Changing World, March 2008, 257–273.

⁸¹ Wang, 2008, 261.

⁸² Ibid.

⁸³ "Build Towards a Harmonious World of Lasting Peace and Common Prosperity," Statement by H.E. Hu Jintao President of the People's Republic of China At the United Nations Summit, New York, September 15, 2015. http://www.un.org/webcast/summit2005/statements15/china050915eng.pdf

2006 emphasized China's responsibilities and the competition between the two actors.⁸⁴ The change was in part the consequence of China's growing economic power and the disadvantages China's restrictive economic policies caused for the community.⁸⁵ The parties started to re-evaluate their partnership in 2009, as a result of mutual interest in good relations. However, the EU continued to draw China's attention to its responsibility for human rights, both at home and in Africa.⁸⁶ These issues point to the weaknesses of Chinese policies as soft power resources and justify the need for a better international image.

China's presence in Central Europe was limited at this time. Between 2008 and 2014, only one of the top 20 purchases took place in the region.⁸⁷ According to Justyna Szczudlik-Tatar, China turned to the region in the wake of the crisis because it saw more opportunities than in the South European countries at the time. Also, China wanted to develop a pragmatic partnership as opposed to the highly politicized dialogues with the whole of the EU.⁸⁸ This resonates with China's usual policy stance:⁸⁹ the country wanted to exclude normative considerations from the partnership and exemplify that it can be successful on a pragmatic basis. However, CEE did not bear great economic importance for China as the region is not significant from the perspective of major Chinese goals: internationalization and acquisition of technology.⁹⁰ Thus, the partnership with CEE becomes more important inside the EU–China framework, presumably to counterbalance the problematic political relationship with the EU.

⁸⁸ Szczudlik-Tatar, Justyna, 2013, "China's Charm Offensive in Central and Eastern Europe: The

 ⁸⁴ Li, Jingkun, Chen Zhao, Lei Zhang, Hui Cao and Haiyang Zhang, 2016, "China-EU Political Relations," In: Zhou, H. (ed.), 2016, *China-EU Relations: Reassessing the EU-China Comprehensive Partnership*, Springer, 35–67. 38.
 ⁸⁵ Ibid.

⁸⁶ Li et. al, 2016, 64.

⁸⁷ Valášek, Tomáš, 2017, "China and Central Europe: Don't Believe the Hype," Carnegie Europe, November 28, 2017. http://carnegieeurope.eu/strategiceurope/74844

Implementation of Its "12 Measures" Strategy" PISM Bulletin, No. 106 (559), October 4, 2013.

⁸⁹ Zhao, Suisheng, 2008 "Chinese Pragmatic Nationalism and Its Foreign Policy Implications," Annual Meeting of the American Political Science Association, August 28-31, 2008, 3.

⁹⁰ Moldicz, Csaba (ed.), 2017, China's Attraction: The Case Of Central Europe, Oriental Business and Innovation Center, Budapest Business School, 17.

In this period, the general state of China-related policies was similar in the V4 countries. They accept the "one China" policy and refrain from questioning the independence of Tibet or Hongkong.⁹¹ However, they also maintain informal relations with Taiwan, as Taipei maintains Representative Offices in the capitals of all V4 countries. As a sign of China's prudence in utilizing foreign policy resources in Central Europe, many CEE countries regarded their partnership with China as opening a "window of opportunity" towards the country, far from engaging in a "strategic partnership."⁹²

In the beginning of the 2010s, the state of soft power was considered neglected, especially regarding the knowledge on the domestic peculiarities of each country.⁹³ Although Confucius Institutes, the flagship institutions of Chinese public diplomacy, were established in Budapest and Krakow in 2006,⁹⁴ and in Bratislava and Olomouc in 2007,⁹⁵ respectively, they were relatively unknown to the broader public. Liu Zuokui of the Institute of European Studies, CASS emphasized that the cooperation should focus on local levels to promote China's image in Central Europe.⁹⁶

The first economic and trade forum including China and Central Eastern European countries as participants was held in 2011. In 2012, then-Premier Wen Jiabao put forward the 12 measures of China–CEEC cooperation in Warsaw. ⁹⁷ These already included the new

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⁹⁴ ELTE Modell Konfuciusz Intézet (ELTE Model Confucius Institute). <u>http://www.konfuciuszintezet.hu/index.php?lang=en</u> Confucius Institute in Krakow, Hanban. http://english.hanban.org/node 8974.htm

⁹⁵ Confucius Institute in Bratislava, Hanban. <u>http://english.hanban.org/node_10516.htm</u> Confucius Institute at Palacky University, Hanban. <u>http://english.hanban.org/node_9281.htm</u>

⁹¹ Hamberger, Judit, 2013 "China in Central Europe," *Asian Studies*, Hungarian Institute of International Affairs, 2013, 70–100.

⁹² Liu, 2013, 3.

⁹³ Ibid.

⁹⁶ Liu, Zuokui, 2013 "The Pragmatic Cooperation between China and CEE: Characteristics, Problems and Policy Suggestions," Working Paper Series on European Studies, Institute of European Studies, Chinese Academy of Social Sciences, Vol. 7, No. 6, 9.

http://ies.cass.cn/webpic/web/ies2/en/UploadFiles 8765/201311/2013111510002690.pdf ⁹⁷ Liu, 2013, 2.

measures adopted after 2013 and highlight a more assertive approach towards public diplomacy.

2.3 The institutionalization of relations under President Xi after 2013

In 2013, the pace of developments started to speed up. The cooperative agreements between China and CEECs' enterprises represent a positive direction, albeit they are primarily business-related and only have a secondary public diplomacy effect. Over 30 Chinese trade promotion delegations arrived at Central Eastern European countries.⁹⁸ The Special Tourism Product Promotion Meeting between China and CEE, the Cultural Cooperation Forum, and the Education Policy Dialogue and Local Leaders Meeting took place in May and July 2013.⁹⁹ This clearly signifies that the establishment of the 16-plus-1 Cooperation opened the windows of opportunity wider, which also leaves more room for public diplomacy.

The shift in public diplomacy means that China identified the role of the region in its broader global agenda. The gradual expansion of the 16-plus-1 framework amplified Chinese public diplomacy in the region. The Cooperation is embedded in Xi Jinping's major foreign policy initiative, the Belt and Road Initiative,¹⁰⁰ which signals the Chinese commitment to make this region one of the centres of Eurasian development. The objectives of China in the region also shift in this direction: CEE should facilitate the construction of the BRI to enhance interconnectedness between China and the EU.¹⁰¹

This policy shift was the result of a new generation of leaders and a new phase of China's development. The accession of Xi Jinping first into the position of General Secretary of the CPC, then to presidency, altered the direction and scope of foreign policy making. As the president remarked at the 2014 CPC Congress: "we should increase China's soft power, give a

⁹⁸ Liu, 2013, 1.

⁹⁹ Ibid.

¹⁰⁰ Liu, 2017, 29.

¹⁰¹ Liu, Zuokui, 20

good Chinese narrative, and better communicate China's messages to the world."¹⁰² The official adaptation of Xi Jinping thought in the Constitution of the People's Republic of China reassure that the current policy direction paved by Xi Jinping is going to determine Chinese foreign policy on the longer term.¹⁰³

Public diplomacy denominated as "people-to-people"¹⁰⁴ relations is crucial to the BRI. As part of the BRI, the 16-plus-1 Cooperation became the major channel through which China coordinates public diplomacy in CEE. The central coordinator of relations, the Secretariat is part of the Chinese Ministry of Foreign Affairs. The Secretariat undertakes the duty of communication and coordination, preparation of meeting between stakeholders from private and public sectors, therefore have great say on the information shared between the parties.¹⁰⁵

The institutionalization of the Cooperation facilitates well-organized public diplomacy. The frequency of executive meetings is automatically increased by the annual summits on the government executive level. Li Keqiang met every prime minister of the 16 countries since 2012. The arrangement of the 15 coordinating platforms suits the domestic strengths or priorities of the countries: Hungary hosts the 16+1 Agency for the Promotion of Tourism and the Association of Enterprises, the 16+1 Contact Mechanism for the Promotion of Investment is based in Poland, the 16+1 Technology Transfer Center is in Slovakia, and the 16+1 Union of Governors is located in the Czech Republic.¹⁰⁶ Some of the coordination mechanisms are still under preparation, but it is plausible that the V4 countries will host more platforms. The institutions will operate with experts from 17 countries, however, there is no instrument

¹⁰² "China's Soft Power Campaign."

¹⁰³ "Translation: 2018 Amendment to the P.R.C. Constitution," NPC Observer.

 $https://npcobserver.com/2018/03/11/translation-2018-amendment-to-the-p-r-c-constitution/104\ Ibid.$

¹⁰⁵ "China's Twelve Measures for Promoting Friendly Cooperation with Central and Eastern European Countries," 2015.

¹⁰⁶ Liu, 2017, 36.

coordinating the communication between them.¹⁰⁷ This circumstance also decreases their ability to channel public diplomacy to broader audiences, confining public diplomacy to the elite level.

The Cooperation also allocated funds for the involvement of non-state actors in the subject societies. Many events, such as the China–CEEC Young Political Leaders' Forum and the China–CEEC High-Level Symposium of Think Tanks are funded by the Chinese central government and provide an opportunity to alter the perceptions of young leaders and researchers on China's positive role in the world.¹⁰⁸ A central platform for scientific and research cooperation is also based in China, in the Chinese Academy of Social Sciences, which directs the exchange between Chinese and Central European political analysts. The CASS coordinates the network of 16-plus-1 think-tanks and provides funds for research.¹⁰⁹

The new tools of public diplomacy further enhance China's visibility in the region. The four categories of Xi-era political influence defined by Anne-Marie Brady¹¹⁰ represent more clear-cut aims of Chinese public diplomacy to reach the long-term goal of a constructive China-image.¹¹¹ In the following, I analyse the most important public diplomacy elements present in V4 countries.

First, there is the increasing willingness to provide guidance for overseas Chinese communities to act as agents of Chinese foreign policy.¹¹² While the linkage between central

 ¹⁰⁷ Pendrakowska, Patrycja, 2017, "A Balancing Act: the 16+1 Cooperation Framework," Institute for Security and Development Policy, September 12, 2017. http://isdp.eu/publication/161-cooperation-framework-china-cee/
 ¹⁰⁸ "The Budapest Guidelines for Cooperation between China and Central and Eastern European Countries," Permanent Mission of the People's Republic of China to the UN. November 28, 2017. http://www.china-un.org/eng/zgyw/t1514534.htm

¹⁰⁹ China-CEEC Think Tanks Network. http://16plus1-thinktank.com/4/20160111/1097.html "Introduction of Research Fund on China-Central and Eastern Europe Relation," November 28, 2013, Cooperation between China and Central and Eastern European Countries. http://www.chinaceec.org/eng/yjjj_1/jj/t1410655.htm

¹¹⁰ Brady, 2017, 8–11.

¹¹¹ Song, 2017a, 67–69.

¹¹² Brady, 2017, 7.

guidance and initiatives led by Chinese nationals in Central Europe is not clear, the number of such occasions is certainly growing. Wang Renxin, a young Chinese entrepreneur founded the Europe–China Youth Leaders Forum, which was welcomed by University of Pécs in Hungary.¹¹³ Another example includes Li Zhen, a Chinese researcher and journalist living in Hungary, who founded the European Institute for One Belt One Road Economic and Cultural Cooperation and Development in 2015.¹¹⁴ As the president of EUOBOR, Mr. Li contributed to the organization of two conferences by the Hungarian think tank, PAIGEO.¹¹⁵ Chinese nationals acting on the local levels are far-reaching vehicles of public diplomacy, building the best "people-to-people" ties.

The "re-emphasis on people-to-people, party-to-party, enterprise-to-foreign enterprise relations"¹¹⁶ to support Chinese foreign policy goals is playing out in both civil society fields and the business world. The greatest investors in the Central European region, Liu Gong and Tri-Ring Group in Poland, Wanhua Group in Hungary, CEFC in the Czech Republic does not abstain from taking on broader societal roles. Ding Jiansheng, the chairman of Wanhua Group received the Award for Chinese-Hungarian Friendship from Hungarian Foreign Minister Péter Szijjártó in 2013.¹¹⁷ In 2014, the company singed a partnership agreement with the Hungarian Government, which includes the promotion of cultural ties with China.¹¹⁸ Ye Jianming, the former chairman of Chinese conglomerate CEFC, advised President Milos Zeman on China

¹¹³ "Greetings from the Founder," Europe-China Young Leaders Forum. https://ecylforum.com/greetings-from-the-founder/

¹¹⁴ About Us, European Institute for One Belt One Road Economic and Cultural Cooperation and Development. http://www.euobor.org/index.php?app=aboutus

¹¹⁵ "Belt and Road Forum 2018," PAGEO Geopolitikai Kutatóintézet (PAGEO Geopolitical Research Institute), May 17, 2018. http://www.geopolitika.hu/hu/2018/05/17/belt-and-road-forum-2018/

¹¹⁶ Brady, 2017, 7.

¹¹⁷ "Kínai-Magyar Barátságért Kitüntető Díjat kapott a Wanhua-BorsodChem elnök-vezérigazgatója," ("The Chairman-CEO of Wanhua-BorsodChem received the Award for Chinese-Hungarian Friendship") *Borsod Online*, November 18, 2013. http://www.boon.hu/kinai-magyar-baratsagert-kitunteto-dijat-kapott-a-wanhua-borsodchem-elnok-vezerigazgatoja/2414284

¹¹⁸ Stratégiai partnerségi megállapodás Magyarország Kormánya és a BorsodChem Zrt. együttműködéséről (Agreement on the strategic partnership between the Government of Hungary and BorsodChem Ltd.). http://www.kormany.hu/download/7/72/30000/BorsodChem.pdf

and economic issues, until being placed under investigation this March.¹¹⁹ The investments can bring them closer to the local political elites, while companies can also give the first impression of China to the broader public.

The "roll-out of a global, multi-platform, strategic communication strategy"¹²⁰ is represented in the attempts to boost media appearance. The state-owned China Radio International is present in Hungary, the Czech Republic, and Poland, broadcasting informative programs on China produced by the GBTimes in local languages.¹²¹

The last "magic weapon", the "formation of a China-centred economic and strategic bloc"¹²² is broadly covered by the dynamics of the 16-plus-1 Cooperation. These strategic tools of public diplomacy have been operationalized in the years since 2013, expanding the presence of China in the countries. These efforts altered the China-picture of the subject countries to some extent which is analysed in the following chapter.

2.4 Conclusion

The antecedent variable of Chinese public diplomacy took different values in the two periods. While the strategic objectives appeared before 2013, the activities became widely visible only after the establishment of the 16-plus-1 partnership, which included efforts to alter the broader China-image. Based on China's economic preferences, Chinese interests in the region extend beyond economic considerations. This gives even more relevance to study the responses to public diplomacy on the country level.

¹²¹ Qing, Koh Gui, and Jane Wardell, "Chinese radio broadcaster taps front men in Finland and Australia,"
 Reuters, November 2, 2015. https://www.reuters.com/article/us-china-radio-partners/chinese-radio-broadcaster-taps-front-men-in-finland-and-australia-idUSKCN0SR1KS20151102
 ¹²² Brady, 2017, 7.

¹¹⁹ Ji, Tianqin, Luo Guoping and Han Wei, 2018, "CEFC China Chairman Steps Down, Czech Presidential Office Says," *Caixin*, March 20, 2018. https://www.caixinglobal.com/2018-03-21/cefc-china-chairman-steps-down-czech-presidential-office-says-101223912.html

¹²⁰ Brady, 2017, 7.

The two countries providing case studies gave diverging responses. Prime Minister Orbán's speech at Tusnádfürdő, after the 2014 election victory, represents the country's shift towards "illiberal democracy" as an alternative form of governance. He looks at role models outside the Western world, such as Russia, Turkey, and Singapore, including China as well.¹²³ The re-elected Czech president, Miloš Zeman is also famous for keeping good relations with China. His emphasis on strong ties with Russia and China led to domestic political conflicts, as Prime Minister Andrej Babiš leans toward deeper EU integration.¹²⁴

In the following two chapters, I look at the explanations derived from the domestic structure of the country that account for the different policy responses of Czechia and Hungary. In general, the subject of soft power distils the input of activities through its society, in which the state of politics, the relative stability and societal cleavages all play key roles. The relationship between the independent variable of domestic structures and the dependent variable of policy outcomes in the presence of the antecedent variable of Chinese public diplomacy provides the main empirical study of the thesis.

¹²³ Tóth, Csaba, "Full text of Viktor Orbán's speech at Băile Tuşnad (Tusnádfürdő) of 26 July 2014." *Budapest Beacon*, July 29, 2014. https://budapestbeacon.com/full-text-of-viktor-orbans-speech-at-baile-tusnad-tusnadfurdo-of-26-july-2014/

¹²⁴ Santora, Marc, Hana de Goeij, "In Czech Election, a Choice Between Leaning East or West," *The New York Times*, January 14, 2018. https://www.nytimes.com/2018/01/14/world/europe/czech-election-populism-milos-zeman.html

Chapter 3 – The Case of Czechia

In the first case study, the analysis begins with the identification of the major characteristics of the Czech domestic structure, including the transformations of domestic political institutions, main foreign policy decision units, and the divisions in the Czech society. The process tracing of foreign policy directions provides the backbone of the empirical analysis. I trace the dependent variable from both domestic and international perspective to draw a distinction between times when politicians are primarily confronted with their constituency and those occasions when they need to fulfill their obligations in international organizations. The inferences derived from the process tracing provide the main test of the Czech political system's responsiveness to Chinese public diplomacy. The first phase overlooks the period from 2008 to 2013, until the shift in Chinese leadership and policy directions, and then the second phase from 2013 to present. Aside from the turn in Chinese public diplomacy, 2013 also marked a great turn in Czech domestic politics with the first presidential election by popular vote.

In these two time periods, the foreign policies are traced along the major lines of foreign policy making, where Chinese public diplomacy and foreign policy outcome are linked in the domestic structure. If there is no broader consensus behind the foreign policy decision of the case country, there is a chance that a predominant leader or a single group¹²⁵ acts as the decision unit. The decision unit of a coalition of autonomous actors shows more dispersed power over the domestic structure. In the latter case, the diverging societal interests are represented better in the policy making, thus, the outcome is a less definite foreign policy.

I also assume that public opinion on foreign policy represents Chinese public diplomacy's degree of success, but does not affect foreign policy directly. I contrast the shifts

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¹²⁵ Hermann, 2003, 56-57.

in public opinion when the processes taking place reflect Chinese public diplomacy's effect on the general perceptions.

3.1 Czech domestic political structures

The Czech Republic became a parliamentary democracy after the regime change in 1989. The present Czech parliament is divided into the upper chamber Senate and the Chamber of Deputies representing the lower chamber. The Deputies are elected with regard to proportional representation, while the Senate members are elected in a two-round election process, from one-seat constituencies.¹²⁶ The Government is responsible to the Chamber of Deputies, which allot the Senate with a special counterweight in the legislative process. Due to the structure of the voting system and the parliament, power is broadly distributed in Czech domestic politics.

The proportional representation does not result in harmonious political life. Under the period of the analytical time frame, six prime ministers took office and all of them resigned due to lost confidence votes or scandals.¹²⁷ The last election held in October 2017 also reinforces this view. Nine parties and coalitions could cross the election threshold,¹²⁸ but the winner of the greatest fraction, the ANO 2011 party acquired only 29,64% of the valid votes. Prime Minister Andrej Babiš's minority government lost the confidence vote in January and now seeks coalition partners.¹²⁹ The negotiations with the Czech Social Democratic Party (ČSSD) came

¹²⁶ Janík, Zdenek, 2010, "Twenty Years after the Iron Curtain: The Czech Republic in Transition" Juniata Voices, Vol. 10, March 25, 2010, 99–107. <u>http://www.juniata.edu/offices/juniata-voices/past-issues/volume-ten.php</u>, 101.

¹²⁷ Mirek Topolánek, Jiri Rusnok lost confidence vote in 2009 and 2013, respectively, Jan Fischer left for the position of Vice President at the EBRD in 2010, Petr Necas resigned over a corruption scandal involving his chief of staff in 2013, while Bohuslav Sobotka resigned over disputes with then-Finance Minister Andrej Babiš, who, after assuming office as Prime Minister.

 $^{^{128}}$ Political parties, political movements, and coalitions crossing the election threshold. Elections to the Chamber of Deputies of the Parliament of the Czech Republic held on 20 - 21 October 2017, Czech Statistical Office. https://www.volby.cz/pls/ps2017nss/ps52?xjazyk=EN

¹²⁹ Muller, Robert and Jason Hovet, 2018, "Czech government quits after confidence vote, uncertain talks ahead," *Reuters*, January 17, 2018. https://www.reuters.com/article/us-czech-government/czech-government-quits-after-confidence-vote-uncertain-talks-ahead-idUSKBN1F60RX

to halt in April 2018 after unsuccessful deals over the distribution of ministries¹³⁰ and remains undecided to date, with the June 2018 deadline looming closer.

The foreign policy making was characterized by contesting groups under the previous government. An opinion article by foreign policy expert Vít Dostál commenting on the politics of then-Foreign Minister Zaorálek contended that even though the Foreign Minister wanted to "shake up" Czech foreign policy after his 2014 appointment, his statements were volatile, even to the extent of contradicting himself.¹³¹ Dostál also explained the competition within the ruling social democrat ČSSD party, between a pro-European wing and a nationalist-conservative wing, with the former enjoying the support of President Zeman. The current inability of ANO to form a coalition government may be exacerbated by this divide.

The past decade of Czech domestic politics was characterized by changes in the political system that greatly changed the distribution of power outside the Parliament. Since the 2012 amendment of the Constitution, the President of the Republic is elected directly by popular vote.¹³² The first national presidential election was held in 2013 and brought the victory of former Prime Minister Miloš Zeman. Political parties could endorse the candidates, Zeman was endorsed by the SCO founded by himself in 2009, after leaving ČSSD. President Zeman was reelected as president in 2018; his victory was interpreted as an anti-Europe turn of the country.

According to the Czech Constitution, the President is one of the state symbols, however, President Zeman have demonstrated willingness to actively participate in domestic politics, especially regarding foreign policy. His political maneuvers are focusing on partners outside the European community, such as Russia and China, as he aims to set up beneficial deals which

¹³⁰ "Czech government talks break down in row over ministry posts," Reuters, April 5, 2018. https://www.reuters.com/article/us-czech-politics/czech-government-talks-break-down-in-row-over-ministry-posts-idUSKCN1HC2R9?il=0

¹³¹ Dostál, Vit, 2017, "The Czech Foreign Minister's Anti-European Turn," *Visegrad Revue*, March 24, 2017. http://visegradrevue.eu/the-czech-foreign-ministers-anti-european-turn/#note-5820-2

¹³² Article 54, Chapter Three, The Constitution of the Czech Republic. http://www.psp.cz/en/docs/laws/constitution.html

benefit the wealthiest Czech businesspersons.¹³³ In January 2018, he won with low margin, acquiring 51,4% of the votes.¹³⁴ His ascension to the second term divided the Czech public and symbolizes the cleavages present in the society as well as in the Czech government. His active participation made him a major factor of foreign policy: his 2018 victory was welcomed by both Xi Jinping and Vladimir Putin, the former pronouncing that he was "ready to lift both countries' strategic partnership to a higher level."¹³⁵

The state of the Czech civil society represents the imperfect post-communist transformation of the society. Some scholars claim that it poses hardships for the country to part with the old mindset and engage people in civil society from every societal groups.¹³⁶ The public perceptions hold that there are serious cleavages among societal groups. This divide shows some post-communist Central European characteristics, such as the identity crisis of the working class and the crumbling of the lower-middle class which ensues from the former. The last presidential election can also be interpreted as a sign of societal splits: President Zeman represents a strongly populist, anti-EU agenda, while his main opponent was Jiří Drahoš, a notable scientist who was the exact counterpoint of Zeman in political style and content.¹³⁷

Based on the theoretical framework of the degree of centralization, the country can be identified as a weak state, with power dispersed among the factions of political parties and the president. The past years provided successful and ill-fated coalition-building attempts, which also represent the existing cleavages in the society. This underpins the notion that the public has on the inability of the government to come into terms with a unified foreign policy approach.

¹³³ Groszkowski, Jakub, 2017, "The Czech president's private foreign policy," Centre for Easter Studies (OSW), October 18, 2017. https://www.osw.waw.pl/en/publikacje/analyses/2017-10-18/czech-presidents-private-foreign-policy

 ¹³⁴ Brotman, Alexander, "The Czech Republic's fractious politics hold a lesson for Europe," *Global Risk Insights*, January 29, 2018. https://globalriskinsights.com/2018/01/czech-republic-president-elections-2018/
 ¹³⁵ "Chinese president congratulates Zeman on re-election," *Prague Daily Monitor*, January 29, 2018. http://praguemonitor.com/2018/01/29/chinese-president-congratulates-zeman-re-election
 ¹³⁶ Zdenek, 2010,

¹³⁷ Presidential Election 2018, Radio Praha. http://www.radio.cz/en/static/presidential-election-2018/

The closest characterization based on Risse-Kappen would be the "democratic corporatism," representing a continuous bargaining between state and society. However, the state is still in a stronger position in the face of a relatively weak civil society.

In order to measure whether the decision unit was a broader coalition, one must look at policies. The next section follows with the process tracing of both the rupture and continuity in Czech China-policy. The frequency and level of meetings between the Czech and Chinese executives, remarks by Czech politicians are important indicators of country-level foreign policy. The sources on the details of the meetings were the webpage of the Senate tracking international meetings,¹³⁸ press releases, the information provided by Chinese institutions, and international media.

<u>3.2 Czech China-policy before 2013</u>

The tracing of Czech foreign policy and its development in the first analytical period look at how the approved foreign policy approach was at the time. Due to the limits of the research, only the central or symbolic China-related policies are traced.

China's public diplomacy was constrained in the region at the time, as the country just started to promote the need for soft power. The aims in the CEE region centered on gaining influence in a new region and improve EU-China relations through them. Policies aimed at protecting national interest from foreign influence constitute an important part of the decision making. A symbolic example was the founding of the first Confucius Institute at the Palacký University in Olomouc in 2007. Charles University in Prague refused the Chinese embassy's first request, because they already had a Taiwan-sponsored China Center.¹³⁹ The government,

¹³⁸ Reports on the Activities: Reports from visits abroad, Senate, Parliament of the Czech Republic. http://www.senat.cz/cinnost/zpravy/index-eng.php?ke_dni=21.5.2018&O=11#zpravy_komisi

¹³⁹ Franková, Ruth, 2007, "First Chinese Cultural Centre in Czech Republic Opens in Olomouc," *Radio Praha*, September 27, 2007. http://www.radio.cz/en/section/curraffrs/first-chinese-cultural-centre-in-czech-republic-opens-in-olomouc

then dominated by Civic Democratic Party (ODS), also opposed the establishment of the institution operating with close ties to Chinese government authorities in the capital.¹⁴⁰

The protection of democratic values was represented in Czech international moves as well. Between 2003 and 2009, Czechia, alongside Poland, criticized China for its human rights violations.¹⁴¹ Even before the EU accession, the country took active positions in the EU Human Rights Working Group (COHOM),¹⁴² and reportedly became one of the hard-liners on human rights issues and China in the European community. This represents the strong societal consensus on EU accession and convergence along a Western development model.

The "new stage" of Czech-Chinese relations begun in 2009, when President Václav Klaus held bilateral meeting with Premier Wen Jiabao.¹⁴³ The 2011 pledge to establish the 16-plus-1 Cooperation induced great expectations from Czech decisionmakers and the business sector. This was not unique to the region, but certainly gave rise to more caution toward China. In 2011, Foreign Minister Karel Schwarzenberg called for the revision of the Czech Republic's foreign policy approach. The minister sided with a strongly moral foreign policy: "human rights are first. So if we have to choose in a certain country to shut our mouth to promote our business then we will not shut our mouth."¹⁴⁴ However, his policy direction was not accepted by the whole government.

In 2012, Prime Minister Petr Nečas gave a speech at the International Engineering Fair in Brno, in which he condemned the so-called "Dalai lama-ism" as potentially hurting the trade

¹⁴⁰ Liu, 2017, 43.

¹⁴¹ Liu, 2013,

 ¹⁴² "Report on the Foreign Policy of the Czech Republic," Ministry of Foreign Affairs of the Czech Republic,
 2003. https://www.mzv.cz/file/414924/Report_2003.pdf

¹⁴³ DuBois, Gatien, and Michaela Davidova, 2015, "China and the Czech Republic, a recent political shift," *Nouvelle Europe*, June 29, 2015. http://www.nouvelle-europe.eu/en/china-and-czech-republic-recent-political-shift

¹⁴⁴ Johnstone, Chris, 2011, "Czech Foreign Policy Review Searches for New Directions," Radio Praha, http://www.radio.cz/en/section/talking/czech-foreign-policy-review-searches-for-new-directions

flows between his country and China.¹⁴⁵ The prime minister expressed that the visit of the Dalai Lama does not relate to the protection of human rights or democracy, however, the "Dalai Lama-ism" has been an important social phenomenon in the Czech Republic since the beginning of the 1990's, when President Vaclav Havel developed good ties with the Tibetan religious leader. In 1996, four Czech municipalities officially presented Tibetan flags, which custom has been spreading since then.¹⁴⁶ The prime minister's words signal a shift from normative to pragmatic considerations in the Czech-Chinese relations, a clear departure from the policy directions of the 2000s. This period was characterized by Havel's legacy of human rights-based foreign policy which had credibility among the public. However, the benefits of China's partnership already emerged in the political rhetoric, which overall reflect the need for a broad consensus in policy-making.

3.3 Czech China-policy after 2013

The policies after 2013 reflect the changes in the domestic power distribution, and the transformation of foreign policy decision units, as well as the new strategies and wider scope of influence in Chinese public diplomacy. Although President Zeman doesn't have authority over the foreign policy direction of the country, he actively formulates his own informal, "people-to-people" foreign policy. Zeman claims more authority than any other president before, referring to the popular vote of the Czech people. However, he is not a decision unit in his own right as the president has limited authority over government and parliament decisions. Thus, on occasions he brings more policy problems to the decisionmakers than he solves, deepening cleavages between groups of society.

¹⁴⁵ Smolenová, Ivana, 2012, "China, the Dalai Lama and frogs," Prague Security Studies Insitute, November 21, 2012. http://www.pssi.cz/publications/blog/7-china-the-dalai-lama-and-frogs.htm

¹⁴⁶ Hríbek, Martin, 2015, "Dalai-Lamaism: An Orientalist Construction of Postsocialist Consciousness," Cervinkova Hana, Michal Buchowski, and Zdeněk Uherek (eds.): *Rethinking Ethography in Central Europe*, Springer, 217–239.

Miloš Zeman's first election represents a new phase of foreign policy, especially in the relationship with China. From his 2013 election victory, he went on to promote ties between his homeland and China. At their 2014 Sochi meeting, Xi Jinping's remarks on "brand-new beginning"¹⁴⁷ and new principles in the two country's relationship foreshadowed the break with former human rights-based foreign policy and the new opportunities made available by Zeman and the newly appointed ČSSD-led government.

In 2015, he was the only Western leader to attend the parade commemorating the end of World War II in Beijing. Officials in Brussels were disappointed because they hoped for a Europe-wide boycott, however, Foreign Minister Zaorálek backed the president's decision.¹⁴⁸ However, the Concept of the Czech Republic's Foreign Policy approved in 2015 explicitly states that the "the frontline framework for dialogue with China is the strategic partnership established between the EU and the People's Republic of China."¹⁴⁹ There is considerable tension between the official policy and the outcomes of diplomatic actions, which follows the trend Zeman started with individual endeavors, omitting the role of broader social consensus.

President Zeman's good personal ties to the Chinese leadership brought about the first visit of President Xi Jinping to the Central European region, where he met Zeman. The 2016 March visit brought the agreement on strategic partnership between the countries. 2016 brought another symbolic visit, that of the Dalai Lama. The Dalai Lama was welcomed by some of the ministers, which split the government on China-related issues.¹⁵⁰ Considering the Czech public's memories of Vaclav Havel and the Dalai Lama, this was an event of great controversy.

 ¹⁴⁷ "Xi Jinping meets with Miloš Zeman of Czech President," Ministry of Foreign Affairs of the People's Republic of China, February 7, 2014. http://www.fmprc.gov.cn/mfa_eng/topics_665678/sqdah/t1127363.shtml
 ¹⁴⁸ Willoughby, Ian, 2015, "Zeman to Attend Military Parade on Second Visit to China in Year," *Radio Praha*, August 26, 2018. http://www.radio.cz/en/section/curraffrs/zeman-to-attend-military-parade-on-second-visit-to-china-in-year

¹⁴⁹ "Concept of the Czech Republic's Foreign Policy," Ministry of Foreign Affairs of the Czech Republic, August 3, 2015.

https://www.mzv.cz/jnp/en/foreign_relations/policy_planning/concept_of_the_czech_republic_s_foreign.html ¹⁵⁰ "Czech politicians meet Dalai Lama in contrast to pro-China policy," Reuters, October 18, 2016. https://www.reuters.com/article/us-czech-china-dalailama-idUSKCN12I1H8

Until 2014, 599 towns and more than 100 schools put up Tibetan flags,¹⁵¹ which has become a symbol of freedom in Czech eyes, and presumably reached more people than Chinese public diplomacy. In the meantime, President Zeman issued a joint statement with Senate President Milan Štěch, Speaker of the Chamber of Deputies Jan Hamáček, and Prime Minister Bohuslav Sobotka on the Czech state's respect towards China's territorial integrity.¹⁵²

The contrast between these two visits might have contributed to the sudden change in Czech public opinion on China's reputation between 2016 and 2017, as reported by Eurobarometer.¹⁵³ The general judgement of China showed a great setback in the fraction of positive views, from 35% to 25% in one year. Compared to the EU28 outcomes of 37% to 32%, it is substantial drop and may be attributed to the Czech-Chinese partnership agreements in March 2016.¹⁵⁴ This sudden change followed both Xi Jinping's and the Dalai Lama's visit in 2016. The public opinion shows greater alignment with "Dalai Lama-ism" than with China's contemporary picture. The sudden rise of China-related (and mostly negative) media coverage also contributed to this trend.¹⁵⁵ Most of the Czech society still remembers the communist era, which is countered by pragmatic economic considerations.

There is considerable support for China from the business sector in the Czech Republic. In 2014, the government-backed CzechTrade agency opened its Beijing office, which develops international trade cooperation between the countries.¹⁵⁶ A recent example for the increasing interest was the MSV International Engineering Fair in Brno, where China became a partner

¹⁵¹ Hríbek, 2015, 217.

¹⁵² "Společné prohlášení nejvyšších ústavních činitelů České republiky," ("Joint Declaration of the highest constitutional actors of the Czech Republic,") Prague Castle, President of the CR, October 18, 2016. https://www.hrad.cz/cs/pro-media/tiskove-zpravy/aktualni-tiskove-zpravy/spolecne-prohlaseni-nejvyssich-ustavnich-cinitelu-ceske-republiky-12953

¹⁵³ Special Eurobarometer 467, September-October, 2017, 81.

¹⁵⁴ Table 2, Appendix.

¹⁵⁵ Czech Media Analysis, ChinfluenCE.

¹⁵⁶ China, CzechTrade. http://www.czechtradeoffices.com/en/cn

country on such kind of occasion in the CEE region.¹⁵⁷ The event was supported by the Czech Ministry of Foreign Affairs to invite Chinese companies from several provinces and cities. The business cooperation was framed as part of the Belt and Road Initiative, which shows responsiveness to the Chinese initiative, however, it reacts more to business opportunities than public diplomacy, although it became interwoven.

In 2017 the initiative for a regulation on the screening of foreign direct investment to EU countries has become a controversial issue in the European community.¹⁵⁸ The divide led to coalition-making between a group of countries, including the Czech Republic to weaken the proposed regulation. The screening was believed to be primarily directed at China, because the country had a rapidly growing share in FDI in Europe.¹⁵⁹ China was the mostly likely to be referred to under "acquisitions by foreign state-owned or controlled companies"¹⁶⁰, which has become a security concern in strategic sectors. However, this rather represents business interest than the positive international image of China and reinforces the notion that different international responses arise from competing interests in the domestic sphere.

There is no unanimous support for the Belt and Road Initiative, the most prominent issue of recent Chinese foreign policy. The Czech Republic's absence in the membership of the Asian Infrastructure Investment Bank highlights this trend. The non-regional members include many EU countries, even Germany and France,¹⁶¹ but the Czech Republic is still considering the

¹⁵⁸ "Regulation of the European Parliament and of the Council establishing a framework to review FDIs into the EU," European Commission. https://ec.europa.eu/info/law/better-regulation/initiatives/com-2017-487_en

¹⁵⁷ "Czech Republic within the Belt and Road Initiative, Brno Trade Fairs – the best platform for promoting Chinese business. The 60th International Engineering Fair: New Technologies and Business Opportunities for Industry of the Digital Age" BVV Trade Fairs Brno," Press Meeting in Beijing, March 27, 2018. https://www.mzv.cz/file/2803111/BVV_Press_Release.pdf

¹⁵⁹ "Foreign Direct Investment – An EU Screening Framework," State of the Union, 2017, European Commission. http://trade.ec.europa.eu/doclib/docs/2017/september/tradoc_156040.pdf

¹⁶⁰ "State of the Union 2017 - Trade Package: European Commission proposes framework for screening of foreign direct investments," European Commission – Press Release, Brussels, September 14, 2017. http://europa.eu/rapid/press-release_IP-17-3183_en.htm#_ftn1

¹⁶¹ Members and Prospective Members of the Bank, Asian Infrastructure Investment Bank. https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html

accession. The AIIB was founded in 2015, thus, the Czech absence can reflect the lack of consensus or the lack of interest in the bank.

Overall, the Czech public is aware of China's strong international influence, but it does not bring positive views on China and Chinese people. This is also reflected by the China picture painted by the Czech media outlets. According to media analysis by ChinfluenCE on Czech outlets of various kinds, between 2010 and 2017, this picture was mostly negative or neutral, and reflected domestic political issues more than a real China-focus.¹⁶² The highest ratios of negative news was in the Czech national television's broadcast, and nation-wide daily paper, Lidové Noviny, owned by Andrej Babiš.¹⁶³ These opinions were also represented by social actors, such as the Ztohoven artist association, who caricatured the China-friendly gestures of Zeman by replacing the president's flag with red underpants.¹⁶⁴ Xi Jinping 2016 Prague visit was also accompanied by protests,¹⁶⁵ however, these issues represent more domestic cleavages than antipathy towards China.

3.5 Conclusion

There are many competing views on China held by distinct groups in the political life and society of the Czech Republic. Until 2011, there were not many clashing interests regarding China, the salience of China-policies increased after the 2012 establishment of the 16-plus-1 Cooperation. The broadening Chinese economic interests also fueled the development of different interest groups along these lines, however, the potential change in Czechia's normative orientation could attract more public concern.

 ¹⁶² Czech Media Analysis, ChinfluenCE. http://www.chinfluence.eu/media-analysis/
 ¹⁶³ Ibid.

¹⁶⁴ "Czech protesters replace flag with underpants," *BBC*, September 21, 2015. http://www.bbc.com/news/world-europe-34311078

¹⁶⁵ "Some 500 people protest at Czech-China approximation in Prague," *Prague Daily Monitor*, March 30, 2016. http://www.praguemonitor.com/2016/03/30/some-500-people-protest-czech-china-approximation-prague

The first period characterized by low Chinese public diplomacy activity and the strong societal demand for westward convergence. This trend was represented by Czech policies condemning the Chinese human rights violations and limiting the influx of Chinese soft power by declining the offer for a Confucius Institute in Prague. The slow change in positive direction of Czech–Chinese relations represented in opinion polls from 2009-2013 can be detected, however, the high fraction of 'Don't know' answers demonstrate the low salience of Chinese policy among the public.¹⁶⁶

The second period reflects stronger societal cleavages on the country's orientation in international politics, represented by the elections of Miloš Zeman for president, who clearly represents a business-centered pro-China agenda. The general opinion towards Chinese people did not change considerably, however, other surveys show, that domestic political struggles involving China on the sidelines lead to setbacks in the country's good reputation. In the end, there is uncertainty on the geopolitical alignment of the nation, which also represents the reemerging cleavages in the region. The policy direction somewhat reflects this trend, as they made steps to advance the country's relationship with China, while backed out from certain important or symbolical step, such as joining the AIIB.

Based on the process tracing, I consider the hypothesis valid as there is still no consensus on China policies, while many interest groups were represented on the policy agenda. Based on the governments' reactions to differing societal demands, the domestic structure is indeed open for consensus. The political answers and the picture projected in the media increased the salience of Chinese relations for the Czech public, but the Chinese public diplomacy could moderately enhance the international image of the country in the eyes of the majority. The

¹⁶⁶ Table 1, Appendix.

domestic cleavages along preferences toward normative or pragmatic foreign policy may have exacerbated China's image during Zeman's presidency.

Chapter 4: The Case of Hungary

The following chapter mirrors the previous one. The second case study begins with the introduction of the Hungarian domestic system and its changes in the past decade. I identify the major foreign policy decision units and the main lines of societal divisions in the country. The process tracing of Hungarian policies related to China domestically or on the international scene reveal many features of the Hungarian domestic structure and coalition-building approaches in practice. There are two main categories of policies: first, those policies which mostly concern the domestic scene. These policies are introduced mostly with the intent to develop better bilateral relations with certain countries, or to cater to the needs, interests or will of the domestic public. While they may overlap with the policies which are considered as "internationalist", their predominant features should be considered, as well as whether they are framed as "national interest." In the other category, international obligations and universal values need to play a greater role, even if they are sometimes domestically framed as national interest, but in general have less salience in the domestic public sphere. The available data on Hungarian public opinion about China and foreign policy, as well as data from media analysis can supplement the findings.

4.1 Hungarian domestic political structures

Hungary became a parliamentary democracy after 1989. This was generally appealing for the region's newly independent countries. The unicameral parliament is shorter on checks than bicameral parliaments, thus, the Hungarian parliament established house rules to act as internal checks.¹⁶⁷ The national assembly can issue a no confidence vote against the prime minister; however, the dismissal needs a new candidate backed by parliamentary majority.¹⁶⁸

¹⁶⁷ Bánkuti, Miklós, Gábor Halmai, and Kim Lane Scheppele, 2012 "From Separation of Powers to a

Government without Checks: Hungary's Old and New Constitutions" In: Tóth, Gábor Attila (ed.), 2012, *Constitution for a Disunited Nation: On Hungary's 2011 Fundamental Law*, Budapest: CEU Press, 237-268, 247.

¹⁶⁸ Bánkuti, Halmai, and Scheppele, 2012, 246.

The Constitutional Court was established to oversee the legislative process, which resulted in "a review of virtually all legislation by an independent body."¹⁶⁹

The domestic structure of Hungary has considerably changed over the past decade. The 2010 parliamentary elections signaled a great turn, as the Fidesz–KDNP coalition won a twothird majority. The large-scale victory was the consequence of widespread dissatisfaction with the Gyurcsány government elected in 2006, which was exacerbated by the effects of the global financial crisis.¹⁷⁰ The increasingly unpopular government had to negotiate stand-by credits with the IMF, leaving the country in heavy debts.¹⁷¹ It was followed by government crisis, as Hungarian Socialist Party (MSZP) broke up with its coalition partner Alliance of Free Democrats (SZDSZ) in 2008.¹⁷²

The second Orbán government started to draft a new constitution soon after the election, which was finalized in April 2011. The "Fundamental Law of Hungary" signaled the beginning of a new political era, dismissing the previous Constitution as the product of the Communist era.¹⁷³ According to the Fundamental Law, the National Assembly elects the President and "the members and the President of the Constitutional Court, the President of the Curia, the President of the National Office for the Judiciary, the Prosecutor General, the Commissioner for Fundamental Rights and his or her deputies, and the President of the State Audit Office."¹⁷⁴ The National Assembly exercises unseen power over the appointment of high-level judges, since earlier the President of the Constitutional Court was elected by his fellow judges.¹⁷⁵ Also, the

¹⁷³ The Fundamental Law of Hungary, April 25, 2011.

¹⁶⁹ Bánkuti, Halmai, and Scheppele, 2012, 252.

¹⁷⁰ "A Magyar Mess – Hungary's Economy," The Economist, March 27, 2008.

https://www.economist.com/node/10926685

¹⁷¹ "Press Release: IMF Executive Board Approves 12.3 Billion Euro Stand-By Arrangement for Hungary," Press Release No. 08/275, International Monetary Fund, November 6, 2008.

https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr08275

¹⁷² Bogád, Zoltán and Márton Kárpáti, 2008, "Most végre kiszállhatnak," ("Now they can finally get off,") *Index*, March 30, 2008. https://index.hu/belfold/szdsz1061/

http://www.kormany.hu/download/e/02/00000/The%20New%20Fundamental%20Law%20of%20Hungary.pdf ¹⁷⁴ Article 1, The National Assembly, The Fundamental Law of Hungary.

¹⁷⁵ The Fundamental Law of Hungary.

officials appointed by the two third majority in the parliament serve for extended time periods, for example, the above-mentioned judges for 12 years. Resulting from these amendments, state power is increasingly becoming centralized.

The centralization of political institutions has been a trend since 2010. This process begun with the centralization of ministries, with the creation of 'super-ministries'. The centralization took place to enhance the efficiency of the governance, which represents the reemergence of "political governance." According to former Minister of Prime Minister's Office János Lázár, this means fulfilling the promises made for the constituents. ¹⁷⁶ The prerequisite of political governance is a centralized system, which is not constrained by long bureaucratic processes. According to Éva Ványi, this process started under the 2006 Gyurcsány government and continued under the next government. The changing institutional structures and legislative framework resulted in the consolidation of the prime minister's power and detracted from the independent decision making of the ministers.¹⁷⁷ This general tendency has implications for foreign policy decision making as well since it elevates the role of the prime minister.

The elections in 2014 and 2018 brought clear Fidesz majority in the parliament.¹⁷⁸ The amended election system decreased the number of seats in the parliament, while the surplus votes compensate the winner.¹⁷⁹ This provides the government with stability for policymaking, thus, the policy directions are not changing, only deepening.

¹⁷⁶ Ványi, Éva, 2016, "Politizáció vagy professzionalizáció? A politikai kormányzás jogi, intézményi és személyi feltételei 2006, 2010," ("Politisation or professionalisation? The legal, institutional, and personal critera of political governance 2006, 2010,") *Politikatudományi Szemle, (Political Science Review)* Vol. 25, No. 3, 87–110.
¹⁷⁷ Ványi, 2016, 106.

¹⁷⁸ 2014. évi országgyűlési választások (2014 Parliament Elections), http://www.valasztas.hu/48. Országgyűlési képviselők választása 2018 (Election of Members of Parliament, 2018), http://www.valasztas.hu/4354.

¹⁷⁹ Section 15, 8. Determination of Election Results, Act CCIII of 2011 on the Elections of Members of Parliament of Hungary, European Commission for Democracy Through Law (Venice Commission) Strasbourg, September 23, 2014. http://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-REF(2014)037-e

The framework of the classification of domestic structures and decision units provides the measurement for the independent variable. Based on this analysis, the Hungarian government showed the attributes of a strong state in the past decade. Based on the decision unit framework, the central decision unit in Hungary's case is the predominant leader, as the prime minister has the central authority in many ways. The following analysis of policy processes tries to detect the ways in which the domestic buildup could determine foreign policy outcomes.

4.2 Hungarian China-policy before 2013

Looking at the first phase of the study period, from 2008 to 2013, signalled great shifts and turbulences in Hungarian politics, at the same time, surprisingly consistent China policies. Under the socialist-liberal MSZP–SZDSZ coalition, the general China-policy tended to lean towards rapprochement. The government relied on the historically benevolent relations between the two countries and aimed to utilize the growing economic opportunities. However, the financial crisis and the government crisis shifted the attention to bargaining with international organizations for bailout.

Hungary has always led the China–CEEC cooperation among Visegrad countries.¹⁸⁰ This also ensues from the fact that Hungary and Slovakia were less critical of China not aligning with universal values.¹⁸¹ The Tibetan flag appeared in the opposition's hands in 2008, when Zoltán Balog, then the chairman of the Parliament's human rights committee, proposed a decree condemning China's treatment of the Tibetan people. Balog also drew a parallel between the 1956 Hungarian revolution and the 1959 Tibetan uprising.¹⁸² However, his attempt was not

¹⁸⁰ Liu, 2013, 1.

¹⁸¹ Ibid.

¹⁸² "Balog Zoltán: kötelességünk felemelni szavunkat Tibet ügyében," ("Zoltán Balog: we have to raise our voices against Tibet's case") Népszava, May 8, 2008. http://nepszava.hu/cikk/51230-balog-zoltan-kotelessegunk-felemelni-szavunkat-tibet-ugyeben

approved by the governing party, thus, there was no parliamentary consensus on human rights violations.

After the change in government in 2010, the newly elected Prime Minister, Viktor Orbán turned his party's stance from being anti-China to pro-China. Shortly before the election, the Fidesz established partnership with the CPC.¹⁸³ The first years of his governance were characterized by pro-China policies to an extent which encouraged China to become cautious in their relations.¹⁸⁴ This period marked the beginning of the Eastern Opening Policy which put greater emphasis on economic and political relations with many Asian countries:

"China, South Korea, and Japan will be the increasingly appreciated economic and trade partners of Hungary."¹⁸⁵

Premier Wen Jiabao's 2011 visit in Europe started in Budapest. The event reflected the government's commitment to engage the country: Viktor Orbán accompanied him in person all through his visit.¹⁸⁶ Hungary approached China to build strategic alliance, what then-Foreign Minister Yang Jiechi declined, noting that the partnership needs to remain on the practical level.¹⁸⁷ This step reflects the strive of Hungarian politics for the special attention of a great power, which is embodied in the "bridge to Europe", "gate of Europe" narrative.

These events reflect the soft power of China stemming from its economic power, which was seen in Hungary's case at that time. The country just started to employ a hostile narrative against the IMF, thus, China served as a rhetorical and practical counterbalance of the multilateral institution.¹⁸⁸ Although it can serve some of its objectives, the vocally pro-China

 ¹⁸³ Kalan, Dariusz, 2012, "Relationship of a Special Significance: A Chinese Direction in Hungary's Foreign Policy under Viktor Orbán," *Croatian International Relations Review*, Vol. 18, No. 66, August 2012, 59–74, 63.
 ¹⁸⁴ Liu, 2013. 2.

¹⁸⁵ "Orbán: 'még nagyon sok gonddal is szembe kell néznünk,''' ("Orbán: 'we still have to face many problems,''') *HVG*, May 25, 2011. http://hvg.hu/itthon/20110525_orban_keleti_nyitas_oecd

¹⁸⁶ Kalan, 2012, 65.

¹⁸⁷ Liu, 2013.

¹⁸⁸ Kalan, 2012, 64.

and Eurosceptic policies will not be able to alter China's image in the whole EU. Therefore, it drew more reluctance than warm welcome from China.¹⁸⁹ The country's still developing CEE public diplomacy faced a great challenge to balance between the EU community and some of its outlier members.

Despite Prime Minister Orbán's attempt to engage China, neither Minister of National Economy György Matolcsy, nor Minister of National Development Tamás Fellegi prioritized China, even though they were appointed to oversee the relations.¹⁹⁰ This represents the prime minister's central role in relations with China, as well as the rapid change in foreign policy compared to the pre-2010 directions.

During this period, the presence of China in Hungary was more and more visible. New Confucius Institutes opened in the country and the ELTE Confucius Institute was admitted as a Model Institution;¹⁹¹ the Hungarian-Chinese Bilingual School, an initiative unique in Europe, has several hundred new pupils and started high school classes.¹⁹² However, the issue salience of China was still very low, which is represented by predominantly neutral and infrequent media coverage on the country.¹⁹³ The wider public had first-hand experiences with Chinese nationals since the 1990s, although the opinion about Chinese people only deteriorated since then.¹⁹⁴

4.3 Hungarian China-policy after 2013

According to the Chinese Ministry of Foreign Affairs, the benevolent relations between China and Hungary experienced "a good momentum of growth with practical cooperation" in

¹⁸⁹ Liu, 2013, 2.

¹⁹⁰ Kalan, 2012, 70.

¹⁹¹ History, Confucius Institute at University of Szeged. http://www.konfuciuszintezet.u-szeged.hu/confuciusinstitute/history/history?folderID=20167&objectParentFolderId=20167

¹⁹² Lei, Xiaoxun, "Hungarian-Chinese school opens doors to language and culture," *China Daily*, June 20, 2017. http://www.chinadaily.com.cn/world/cn_eu/2017-06/20/content_29819058_2.htm

¹⁹³ Hungarian Media Analysis, ChinfluenCE. http://www.chinfluence.eu/hungarian-media-analysis/

¹⁹⁴ Table 3 and 4 in Appendix.

2013.¹⁹⁵ The "enhanced political mutual trust" developed in the framework of the China–CEE Cooperation.¹⁹⁶ The high-level exchanges confirms the central role of bilateral relations for China, however, the public diplomacy towards CEE became more centralized after 2013.

The two consecutive election victories consolidated the political system developed after 2010. The national focus of politics brought many remarks on the sovereignty of the country. The prime minister's speech for Hungarian ambassadors following the transformation of the Ministry of Foreign Affairs declared a need for the Hungarian economy to maintain a sovereign status inside the EU, by not joining the Eurozone.¹⁹⁷

In domestic politics, a landmark moment was seen in the July 2014 speech of the reelected Prime Minister Orbán. In the speech given for a right wing-conservative audience in Transylvanian Tusnádfürdő, China was listed among the alternative model countries as opposed to liberal democracies:

"A trending topic in thinking is understanding systems that are not Western, not liberal, not liberal democracies, maybe not even democracies, and yet making nations successful."¹⁹⁸

The re-elected prime minister's speech reflects the need for independent national ways, which might even depart from Western ways to learn more from the East.

At the 2015 Suzhou forum of the 16-plus-1 Cooperation, Orbán' speech represented the willingness to cooperate with China on many levels. China's support for European security on the multilateral level, egalitarian bilateral relationship with China, and increasing investment

¹⁹⁵ China and Hungary, The Department of European Affairs, The Ministry of Foreign Affairs of the People's Republic of China.

http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zzjg_663340/xos_664404/gjlb_664408/3175_664570/

¹⁹⁷ "Kiegyensúlyozott hátország segíti a nagykövetek munkáját," ("A balanced heartland helps the work of ambassadors,") *Miniszterelnök.hu*, February 29, 2016. <u>http://www.miniszterelnok.hu/kiegyensulyozott-hatorszag-segiti-a-nagykovetek-munkajat/</u>

¹⁹⁸ Tóth, 2014.

inflows to Hungary all appear in his speech.¹⁹⁹ Based on the speech, the predominant motivation is economic, although the image of a rising China is also represented.

Even though great expectations of Chinese investments determined the unceasing Hungarian enthusiasm towards China, the discourse appears to be more politicized. Hungary sent a high-level delegation to participate in the Belt and Road Summit in May 2017. Following the summit, Orbán expressed his concerns about the current globalization model, calling it "obsolete", and praised the Belt and Road Initiative as a viable alternative.²⁰⁰ The strong vocal opposition to Western-led initiatives does not seem justifiable from a pragmatic point of view.

The 2017 BRI summit marked the agreement on the comprehensive strategic partnership between China and Hungary.²⁰¹ The signing of the partnership came later than in other V4 countries, but it signals that China wants to take the bilateral relations to a new level. Among the deals in the framework of the BRI, the renovation of a railway section connecting Budapest and Belgrade gained the greatest attention. As part of the BRI, the railway means the physical connection to the Chinese initiative.²⁰² The development of the railway is set to be implemented by a joint venture. The Chinese–Hungarian Railway Nonprofit Ltd. The Hungarian railway corporation, MÁV Zrt., China Railway International Corporation (CRIC), and China Railway International Group (CRIG) jointly registered the ownership of the corporation on November 10, 2016.²⁰³ The joint venture is responsible for tendering, project management and monitoring.

²⁰⁰ "The Old Globalisation Model Is Obsolete." Website of the Hungarian Government, May 16, 2017. <u>http://www.kormany.hu/en/the-prime-minister/news/the-old-globalisation-model-is-obsolete</u>

¹⁹⁹ "Európában a biztonság lett a legfontosabb," ("In Europe, security became the most important,") Miniszterelnök.hu, November 24, 2015. http://www.miniszterelnok.hu/europaban-a-biztonsag-lett-alegfontosabb/

 ²⁰¹ "Átfogó stratégiai partnerség Kínával," ("Comprehensive strategic partnership with China,") *Magyar Hírlap*, May 15, 2017. http://magyarhirlap.hu/cikk/87920/Atfogo_strategiai_partnerseg_Kinaval

²⁰² Kowalczyk, Michał, 2018, "Modernization of Belgrade-Budapest railway line as One Belt One Road initiative," Central European Financial Observer, January 31, 2018.

https://financialobserver.eu/ce/hungary/modernization-of-belgrade-budapest-railway-line-as-one-belt-one-road-initiative/

²⁰³ "Kínai-Magyar Vasúti Nonprofit Zártkörűen Működő Részvénytársaság." ("Chinese-Hungarian Railway Non-profit Ltd.") MÁV-csoport, November 4, 2016. https://www.mavcsoport.hu/bbproject.

However, the pledged economic gains will not be realized, as several analysts estimated that it will require 2400 years of operation to profit from the railways financed with a \$3 billion loan.²⁰⁴

At this time, the opposition was not vocal about the China-friendliness, as Russia was more salient for them as well. However, during Premier Li Keqiang's visit in November 2017, LMP party co-president Bernadett Szél wore a Tibetan flag during her speech in the parliament.²⁰⁵ In his press statement given after the bilateral meeting with Premier Li Keqiang during the Budapest 16-plus-1 Summit, Orbán emphasized the strategic position of Hungary in the competition for Chinese partnership.²⁰⁶ His speech reflected the attempts to make the public approve of the importance of China as a partner. The attempts to engage the public were successful: the fraction of positive opinions between grew from 33% to 40% between 2016 and 2017.²⁰⁷

While the rhetoric on China reached unseen enthusiasm, the implementation had shortcomings. An administrative mistake prevented Hungary from becoming a founding member of the AIIB.²⁰⁸ Later on, Hungary joined the bank as a non-regional member, which is still significant given that many EU countries joined.²⁰⁹ Poland and Hungary are the only CEE countries which joined the investment bank with predominantly Asia members and goals.

https://mno.hu/belfold/tibeti-zaszloval-a-nyakaban-szolalt-fel-szel-bernadett-a-parlamentben-2430227 ²⁰⁶ Prime Minister Viktor Orbán's press statement after talks with Li Keqiang, Prime Minister of the People's Republic of China, November 28, 2017. http://www.miniszterelnok.hu/prime-minister-viktor-orbans-pressstatement-after-talks-with-li-keqiang-prime-minister-of-the-peoples-republic-of-china/

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 ²⁰⁴ Vörös, Zoltán, 2018, "Who Benefits From the Chinese-Built Hungary-Serbia Railway?" The Diplomat, January 4, 2018. <u>https://thediplomat.com/2018/01/who-benefits-from-the-chinese-built-hungary-serbia-railway/</u>
 ²⁰⁵ "Tibeti zászlóval a nyakában szólalt fel Szél Bernadett a parlamentben," ("Bernadett Szél spoke with a Tibetan flag over her neck in the Parliament") *Magyar Nemzet*, November 27, 2017.

 ²⁰⁷ "Future of Europe" Report, Special Eurobarometer 467, Eurobarometer, September - October 2017.
 ²⁰⁸ Bukovics, Martin and Bea Bakó, 2018, "Mit akar Kína? Erős EU-t és Donald Trumpot," ("What does China want? Strong EU and Donald Trump") Azonnali, January 15, 2018. http://azonnali.hu/cikk/20180115_salat-gergely-interju-mit-akar-kina-eros-eu-t-es-donald-trumpot

²⁰⁹ Members and Prospective Members of the Bank, Asian Infrastructure Investment Bank. https://www.aiib.org/en/about-aiib/governance/members-of-bank/index.html

Apart from economic deals, the Hungarian government put great efforts into promoting certain parts of the Chinese culture in Hungary. The promotion of traditional Chinese medicine was part of these efforts. In 2017, the government pledged to allocate \notin 4.5 million to build a new institute at Semmelweis University, a prestigious medical school in Budapest.²¹⁰ According to the government, the centre is aimed at developing Hungarian healthcare by connecting Western and Eastern medicine, but more importantly "strengthen the economic, political, and cultural ties between Hungary and China."²¹¹

In the second period, there was room for many expressions of Hungary's Chinafriendliness in international settings. The policy process in this case is centred on the common security and foreign policy of the EU. Hungary's strong nationalist expression and reluctance to accept anything but its interest jeopardized the policy process in the last few years.

In July 2016, Hungary, along with Greece and Croatia, opposed the EU statement on the Permanent Court of Arbitration's ruling on the South China Sea dispute.²¹² The statement would have condemned China for taking aggressive steps in the territorial dispute, by constructing artificial islands and patrolling in the area. China refused to accept the court's authority to rule over the country.²¹³

Following the successful summit held in Budapest, the Hungarian prime minister expressed growing confidence in the country's new strategic partner. In January 2018, Orbán spoke at a forum of leading German companies. He spoke about the vast infrastructure gap in the Central European region and stating that "if the European Union won't be able to provide

²¹⁰ Karáth, Kata, 2018, "Hungarian science troubled by nationalism," Science, 11 May 2018: Vol. 360, Issue 6389, 584-585.

²¹¹ Karáth, 2018, 584.

²¹² Gotev, Georgi, 2016, "EU unable to adopt statement upholding South China Sea ruling," *EURACTIV.com*, July 14, 2016. https://www.euractiv.com/section/global-europe/news/eu-unable-to-adopt-statement-upholding-south-china-sea-ruling/

²¹³ Grieger, Gisela, 2016, "China and the South China Sea issue," Briefing, European Parliamentary Research Service, September 2016.

http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/586671/EPRS_BRI(2016)586671_EN.pdf

financial support, we will turn to China."²¹⁴ These words sound very harsh in the German capital, but certainly resonate with the recent Hungarian approach to common EU foreign policy.

The Hungarian foreign policy maintained the assertive national stance towards common EU foreign policy. In February 2018, the Hungarian ambassador to Beijing was the only one who did not sign the common declaration on the Silk Road by EU ambassadors.²¹⁵ This statement criticized the initiative for running "counter to the EU agenda for liberalizing trade and pushes the balance of power in favor of subsidized Chinese companies."²¹⁶ The statement did not mean a withdrawal from the BRI, but many EU countries felt the need to express their standpoint. However, this EU-wide declaration was vetoed by Hungary at an earlier stage of the negotiations.

Aside from strong expressions around the common foreign policy, the European Commission has also undertaken investigations on the Budapest–Belgrade project's compatibility with EU law.²¹⁷ The Hungarian answers to EU bodies' investigations were references to national interest, this can also provide an answer to why the feasibility study of the Budapest–Belgrade railway was classified by the government.²¹⁸ By playing from a strongly nationalistic foreign policy playbook, going against initiatives which are aimed at strengthening the EU's position vis-á-vis China may bring counterintuitive results. Even though China did

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²¹⁴ "Orbán: If EU Doesn't Pay, Hungary Will Turn to China," *The Budapest Business Journal*, January 11, 2018. <u>https://bbj.hu/economy/orban-if-eu-doesnt-pay-hungary-will-turn-to-china_143836</u>

²¹⁵ Heide, Dana, Till Hoppe, Stephan Scheuer, and Klaus Stratmann, 2018, "EU ambassadors band together against Silk Road," *Handesblatt Global*, April 17, 2018. https://global.handelsblatt.com/politics/eu-ambassadors-beijing-china-silk-road-912258

²¹⁶ Ibid.

²¹⁷ Beesley, Arthur, Andrew Byrne, and James Kynge, 2017, "EU Sets Collision Course with China over 'Silk Road' Rail Project." *Financial Times*, February 20, 2017. https://www.ft.com/content/003bad14-f52f-11e6-95ee-f14e55513608

²¹⁸ "Chinese Funds Are Best Option for Budapest-Belgrade Railway Line," 2018.

not express dissatisfaction with Hungarian foreign policy, the weakening of the EU integration is very far from China's global interest.

4.4 Conclusion

Despite the strong rhetoric on China, the salience of China-policy is very low in the country. According to a new survey on the foreign policy knowledge of the Hungarian public, although almost half of participants considered China as a friendly country, they demonstrated little or no knowledge on China's foreign policy, president and importance for Hungary.²¹⁹ The media analysis elucidates this information vacuum, as it showed that more than 80% of all China-related coverage was neutral. The Magyar Nemzet produced the most articles on China among the nationwide newspapers, but these included bad and good news worded in a neutral way.²²⁰ The low engagement of the public on these issues also enables the centralized state to pursue its own interests, regardless of accountability.

The policy direction was consistent during both time periods. Based on the strong state framework, the underlying logic behind the structure did not change from 2008 to 2018. The gradual centralization only deepened to accommodate the logic of political governance. The establishment of the 16-plus-1 cooperation further incentivized the Hungarian government to follow this policy direction. The rhetoric on China was framed along national interest, especially in debates at EU bodies.

Based on the analysis including a strong state with a highly centralized decision unit and foreign policy, I find the hypothesis valid for this case. It is important to note that the limited number of tests does not guarantee a wide applicability of the framework. In many, less similar cases, one has to account for different variances.

²¹⁹ Knowledge on Foreign Policy Polling, PAIGEO, Manuscript, proposed publication: 2018, geopolitika.hu.

²²⁰ Hungarian Media Analysis, ChinfluenCE.

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Chapter 5 - Conclusion

China's public diplomacy in Central Europe has few well-definable goals, but what is certain is that the country wants to utilize the V4 countries' position to enhance the EU–China partnership. The framework of 16-plus-1 Cooperation has many advantages for China as it remains on the pragmatic domains of economic, cultural and scientific cooperation. However, there is no partnership without political gains. In this case, China arguably has a better position in reaching its aims since its partners are small countries who can hardly step up for their interest as a group. This problem led to the conclusion that the CEE countries have their own domestic peculiarities in reacting to Chinese public diplomacy. Before drawing the final conclusion, I overview the credibility of alternative explanations proposed in the framework.

5.1 Comparative analysis and alternative explanations

The two case countries developed very different domestic political structures in the past few years. While in Czechia the president started to pursue his only foreign policy circumventing the official decision units, the authority of decision-making shifted to the prime minister in Hungary. Both countries expressed the need for economic cooperation with China, but only Hungary built a policy framework around the China partnership, being one of the earliest respondents to China's influence. Czechia did not express a definite policy direction accommodating Asian partners, albeit government bodies supported business events with Chinese partners. There is one major difference between the policy outcomes of the countries. In Hungary, pragmatic policies existed in the two periods, which was later complemented with pro-China rhetoric. In Czechia, the pragmatic approach challenged the normative policy direction, which did not lead to a conclusion up until today. In the following, I look at the alternative explanations and their possibility to alter my findings. The most apparent alternative explanation is the economic motivation. There are very clear material interests in the relation of China and CEE countries. On the other hand, the amount of investments and the conditions of loans did not live up to the expectations as in many cases, EU regulations constrained the V4 countries in transactions.

Another plausible explanation is the normative consideration of leader. In Hungary's case, this approach might be relevant, however, if there was a strong bureaucracy constraining the leader in decision-making, the norms could not come into play. A strong leader with great decision-making authority can enforce his norms in the process of policy-making, which is a plausible explanation of why soft power work or does not work in autocratic countries.

5.2 Conclusion

The success of a country's soft power arguably rests on the reception and response of the subject state, determined by the latter's culture, values, and political structure. In the analysis I approached the determinants of effective public diplomacy from a structural perspective. In my argument, the independent variable determining the foreign policy outcomes with the antecedent condition of soft power is the domestic structure which enables or constraints the decision units. The strong states with centralized decision units produce more well-developed policy outcomes, while weak states with constant bargaining produce more neutral policies. These policies are not determined by normative considerations since the variable of domestic structure only accounted for the dispersion of power.

However, the hypothesis only accounted for one variable: even though it tried to create a comprehensive measurement, the social complexities can overwrite it. Gallarotti suggests that great powers should not rely on just one power asset. ²²¹ China's hard power capacities are not questionable anymore, however, the country's soft power is far from steady. While the analysis

²²¹ Gallarotti, Giulio M, 2015, "Smart Power: Definitions, Importance, Effectiveness," *Journal of Strategic Studies*, Vol. 38, No. 3, 245-281. 273.

outlined above tried to isolate the effects of public diplomacy, no policy-maker can be sure about the success of soft power policies. It needs constant reflection on the multiple possible outcomes what makes targeted public diplomacy almost impossible.²²² The student of soft power must account for these setbacks and for as many domestic and international variables as possible. The limits of the thesis allowed the analysis of domestic structures and public opinion, but the causal mechanisms of China-related foreign policies in Central Europe can have numerous other variables in different circumstances.

The limitations of the study were bound by many factors. Although the cases of the Czech Republic and Hungary were very well comparable, language barriers prohibited the deeper analysis of certain documents available only in Czech, which can influence the comparability of results. While I consider that this approach has limited generalizability due to the nature of within-case analysis, soft power research could benefit from the analysis of other CEE countries' domestic structures and their relations to public diplomacy.

²²² Gallarotti, 2015, 274.

Appendix

Table 1	223
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	Relations of				
	Very good	Rather good	Rather bad	Very bad	Don't know
2013	6	40	25	5	24
2012	7	40	28	7	18
2011	5	43	24	4	24
2010		44	37	7	19
2009		42	31		27
2008		37	40)	23

Table 2.²²⁴

China	"As regards each of the following countries or group of countries, do you have a positive or a negative view about it?"					
(%)						
	Total Positive	Total Negative	Don't Know			
CZ 2017	25	69	6			
EU 28 2017	32	55	13			
CZ 2016	35	N/A	N/A			
EU 28 2016	37	N/A	N/A			

²²³ Data: Reports of the Public Opinion Research Center, Institute of Sociology, Academy of Sciences of the Czech Republic. Cervenka, Jan, 2013, "Občané o vztazích ČR s některými zeměmi – prosinec 2013," Durdovic, Martin, 2012, "Občané o vztazích ČR s některými zeměmi – říjen 2012," Cervenka, Jan, 2011, "Občané o vztazích ČR s některými zeměmi – listopad 2011."

²²⁴ Data: "Future of Europe" Report, Special Barometer 467, Eurobarometer, September - October 2017. "Future of Europe" Report, Special Eurobarometer 451, October 2016, European Commission.

Table $3.^2$	225
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	Opinion on the ethnicities living in Hungary						
	1995	2002	2006	2007		1-100 scale	
Chinese	41	37	35	32		1: not likable at all	
						100: very likable	

Table 4.220								
	What is your opinion about the following countries?							
	September	April		o 1 000 -				
	2006	2007		October 2007			0-100 scale	
China	36	3	4	34			0: not likable at all	
							100: very 1	ikable

Table 4.²²⁶

²²⁵ Data: "Tükröm, tükröm," ("Mirror, mirror") Medián Közvélemény- és Piackutató Intézet (Median Public Opinion and Market Research Institute), December 13, 2007. http://www.webaudit.hu/object.ad137cad-29f5-4fd8-8a3a-b28531f9d8d7.ivy

²²⁶ Data: "Trónfosztás: A magyarok kedvenc országai" ("Dethronement: The favourite countries of Hungarians") Medián Közvélemény- és Piackutató Intézet (Median Public Opinion and Market Research Institute), December 11, 2007. http://www.webaudit.hu/object.9910455d-7bd7-40ee-bf5f-87b3e4e4dc8a.ivy

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